

NATION'S BUSINESS

June



1926

The New Competition

By O. H. CHENEY

Vice President, American Exchange-Pacific National Bank, New York

How Coal Started the Blaze in Britain

By P. W. WILSON

Former Labor Member of Parliament

What Is Business Without a Buyer?

By W. T. FOSTER and WADDILL CATCHINGS

Pure Science Pays Its Way

By EDWIN E. SLOSSON

Author of "Creative Chemistry," etc.

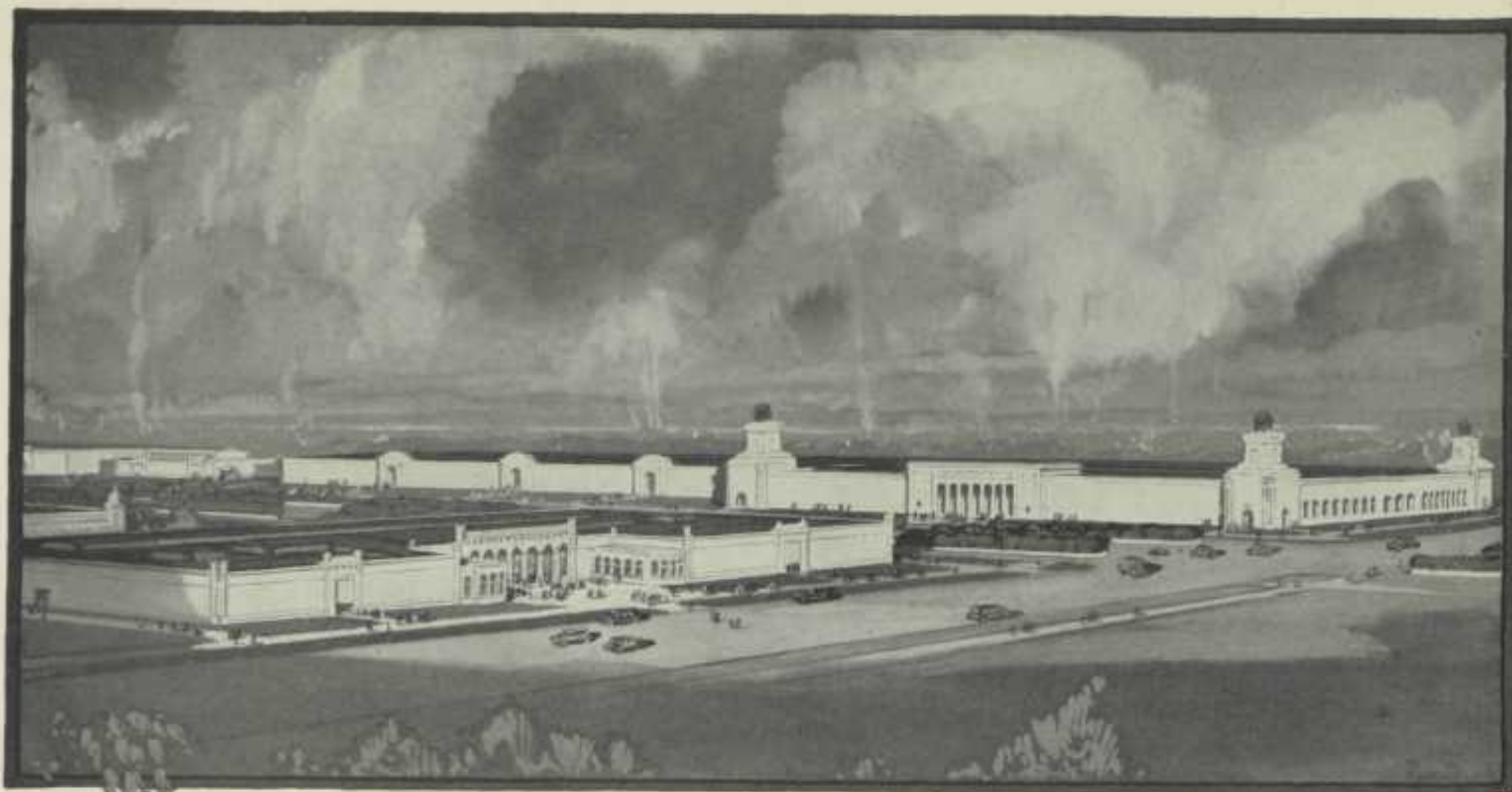
What British Labor Learned Here—Raymond Willoughby
Abandoned Farms Don't Worry Me—Jared Van Wagenen, Jr.
Making Uncle Sam a Better Customer—William P. Helm

And a Dozen Other Important Business Articles

Map of Nation's Business, page 48
Complete Table of Contents, page 5

Published at Washington by the Chamber of Commerce of the United States

MORE THAN 221,000 CIRCULATION



The Palace of Education shown at left, the Palace of Agriculture extending across background at right, the Post Office Building at rear of the latter, all built by The Austin Company. The Palace of Agriculture is completed—the other two buildings are rapidly nearing completion

Sesqui-Centennial! An Exposition of Austin Building Experience

ALL roads lead to Philadelphia this year. In June the Sesqui-Centennial Exposition opens, celebrating the Nation's 150th birthday.

From the stadium, the greatest bowl of its kind in the world, to the Government's model Post Office equipped with the latest devices for handling the enormous mail of the Exposition, the "Sesqui-Centennial" will be a magnifi-

cent tribute to the achievements and progress of this great country.

The Palace of Agriculture, a million dollar building of steel and concrete construction, the Palace of Education of similar construction, and the model Post Office comprise Austin's notable part in the construction of the Exposition buildings in record time.

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tacular expositions of Austin Building Service may be found in every part of the country. Busy factories, huge mills, round houses, terminals, warehouses—stand as permanent witnesses to the nation-wide engineering and building service which Austin renders American industry.

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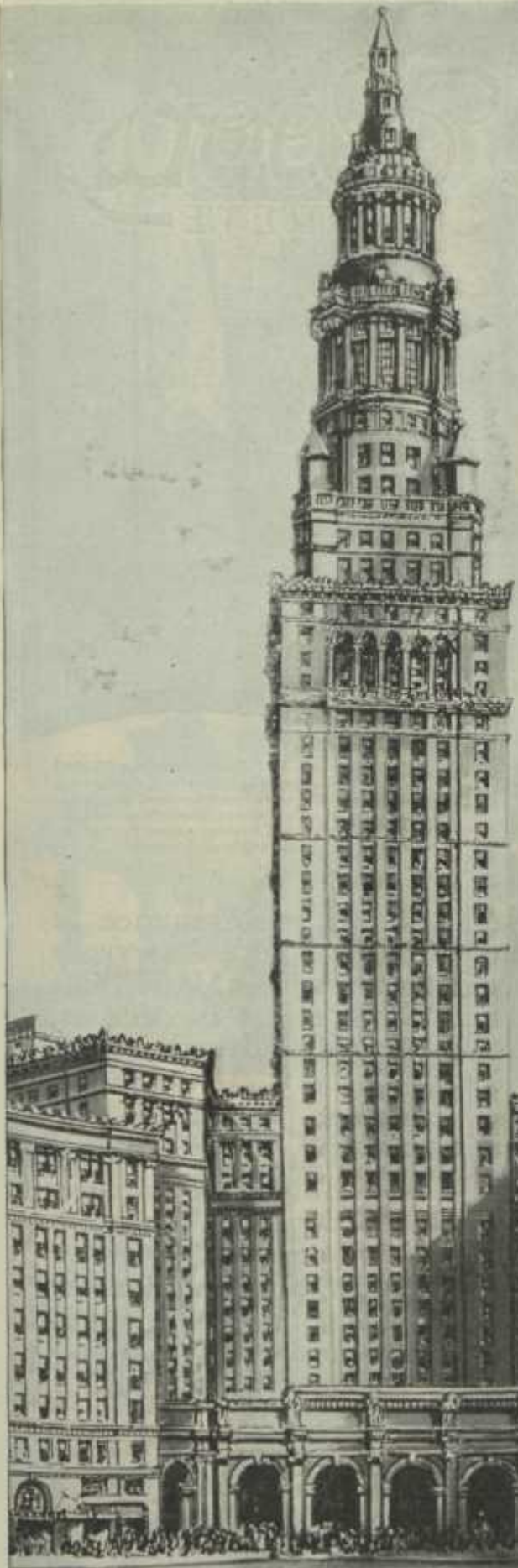
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SOLID STEEL
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COUNTER WEIGHTED

The Tower Building, the 52-story structure of the Cleveland Union Terminals, will be daylighted throughout with Truscon Solid Steel Double-Hung Windows. Their selection is ample evidence of the high quality inbuilt in these windows. The many unusual features of Truscon Double-Hung Windows warrant their consideration for good buildings everywhere.

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Similarly, Masterbuilt Floors are meeting the widely varying needs of such buildings as Keith's Palace Theatre and Office Building, Cleveland; Peabody College, Nashville; and the Bush Terminal Exhibit Bldg., N. Y.

Whatever the service, a Masterbuilt Floor remains a long-lived floor.

These floors in The Federal Packing Co. at Cleveland are continually subjected to dripping blood, flowing water and heavy duty traffic—but they are still as sound today as when they were installed. Where ordinary concrete floors would soon be ruined, these Masterbuilt hardened concrete floors are impervious to time and traffic and incessant moisture.

ELIMINATE Floor maintenance at the time your floor is laid! A *correctly hardened* concrete floor—a Masterbuilt Floor—measures its lifetime in decades, maintenance-free even under the most abusive service.

A Masterbuilt Floor is a combination of *methods and materials* originated and perfected by The Master Builders Company, which produce a hardened, wear-proof, dust-proof, water-proof concrete floor—in colors or natural gray. Sixteen years of outstanding *proof by performance*. There is a Masterbuilt Floor to meet your requirement no matter what the type of traffic.

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CLEVELAND, OHIO

Sales Offices in One Hundred Cities
Factories at Cleveland, Ohio and Irvington, N. J.

Not a general specification for all uses but a method which recognizes differing needs and provides tested means of meeting each. Write us your needs and receive illustrated brochure and full data, free.

1926 Sales Breaking All Records! -

YOUR LETTERHEAD

St. T. Buckingham,
3009 Washington Ave.,
Grand Rapids, Mich.

Oct. 1, 1926

Dear Mr. Buckingham:

The name, address, salutation and date of this letter were filled in with the Addressograph, 15 times faster than by typewriter. Errors impossible.

How about the value of filling in your form letters? They bring greater results than letters made by hand, making a form letter PERSONAL. It calls out the name of a man in a way that he will respond to you.

Any office can "fill in" your form letters 15 times faster than a typist but the Addressograph prints from exact type.

Remember that you pay for it many times over, the Addressograph prints your names, addresses or other data on tags, pay envelopes - addresses -

FREE Trial is Convincing Thousands—

THE following leading concerns—and hundreds more—bought Addressographs during April. Because, these business leaders know, as you know, that times have changed. The rising cost of doing business affects the smallest shop as seriously as it does the largest corporation. Short cuts in selling and lower operating expense are more vitally needed than ever before in every office, store and factory.

That's why 1926 Addressograph sales are breaking every record we have made for 33 years.

Here are a few of the hundreds of April Addressograph buyers:

Bethlehem Steel Co.
Burroughs Adding Machine Co.
International Harvester Co.
Carson Pirie Scott & Co.
Commonwealth Edison Co.
The Traveler's Insurance Co.
Ford Motor Co.
The Truscon Steel Co.
Bell Telephone Co. of Penna.
Ingersoll-Rand Co.
Saks & Co., Dep't Store, New York
Quaker Oats Co.
Willys-Overland Co.
Sears, Roebuck & Co.
Brunswick-Balke-Collendar Co.
Detroit News
Nash Motor Co.
Standard Oil Co.
Gulf Refining Co.
General Motors Acceptance Corp.

And, to make 1926 YOUR best year—Try it FREE—at our expense. Seeing is believing. Just Mail Coupon.

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Low as
\$37.50
f.o.b. Chicago

Addressograph

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909 W. Van Buren St., Chicago, U.S.A.

Canadian Main Office:

60 Front St., W. Toronto, 2.

Factories: Chicago - Brooklyn - London

Thousands Trying It FREE →

MAIL
WITH
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TERHEAD TO
Addressograph
Co.
909 W. Van Buren St.
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☐ Send latest catalog and prices.

☐ Send FREE Booklet: "Which is Yours, Direct Mail Advertising or Direct Mail Selling?"

☐ Send FREE Trial Hand Machine, pre-paid. Will return at YOUR Expense by freight if we don't buy.

33-C-26

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Unmask Hidden Wastes



Lubrication is the pivot on which industry turns. Suitable oils, accurately prescribed, lock doors against Friction, Wear and Waste.

Friction-Wear-Waste rears its head in every factory. It is but partially checked because unseen.

One remedy — lubrication — gets slight attention because its cost is so small.

Although lubrication costs average less than 1-10 of 1% of total operating costs, big losses may result from failure to secure efficient lubrication of your machinery.

This waste need not be apparent to be actual. Often it is in plants where "everything seems to be running all right," that the most important improvements and economies can be brought about through correct lubrication.

Improvements are occurring daily in mechanical equipment—many accompanied by lubrication changes which overturn established methods.

The Vacuum Oil Company's corps of lubrication engineers is in constant contact with these changes—generating many of them—adapting them to lubrication problems in all kinds of machinery, new and old.

Contact with us may be the means of saving you thousands of dollars by facilitating your production flow, increasing your output, reducing waste, minimizing costs and expanding your profits. We invite you to get in touch with us.

Vacuum Oil Company

Headquarters: 61 BROADWAY, NEW YORK
Branches and distributing warehouses throughout the country



Lubricating Oils
for
Plant Lubrication

When writing to VACUUM OIL COMPANY please mention Nation's Business



SINCE I first read the manuscript of Mr. Cheney's "The New Competition," which leads this number, it seems as if the subject jumps at me from every periodical and pamphlet I read.

Copper is telling why it's better than other metals in house building, oil wants to replace coal to heat my house; electricity, too, is bartering with ice to keep cool my food.

That's "the new competition"—industry against industry, material against material, method against method.

On the train to Chicago the other day I ran into Wilson Compton, secretary-manager of the National Lumber Manufacturers Association. He told me of some of the industries which individually and in groups are fighting to put other things than lumber into construction. Here they are, and with them the amounts which, he says, they are spending in national magazines alone:

American Face Brick Assn.	\$200,000
Atlas Portland Cement Co.	200,000
Associated Tile Mfrs.	75,000
Barrett Company	75,000
Beaver Products Co.	200,000
Carey Asfaltlate Roofing	50,000
Celotex Company (\$750,000, 1926)	475,000
Certainite Products Co.	250,000
Common Brick Mfrs. Assn.	50,000
Detroit Steel Products Co. (Fenestra)	75,000
Everlastric Shingle Roofing	100,000
Hollow Building Tile Assn.	50,000
Indiana Limestone Quarrymen's Assn.	75,000
Johns-Manville	500,000
Lehigh Portland Cement Co.	150,000
Portland Cement Assn.	400,000
Richardson Roofing	175,000
Ruberoid Roofing	40,000
Sheetrock Wallboard	200,000
Upton Wallboard	150,000
Vulcanite Roofing	75,000
U. S. Gypsum Company	250,000

"Approximately 30 million dollars per year is being spent to promote the use of lumber substitutes," says Mr. Compton.

That's the new competition with a vengeance.

(I have learned since that Mr. Compton's organization, at its meeting last week in Chicago, decided to go into "the new competition," itself, with a fund of \$5,000,000 for a five-year nation-wide research, demonstration and advertising program to improve and extend the uses of lumber.)

In my morning newspaper is an announcement that Jones & Laughlin make "a lightweight type of structural material which can be used in dwellings as heavier beams are used for skyscrapers."

Another entrant in "the new competition."

A day or so earlier the gas folks announced that they were working on a device by which you might both heat and cool your house with gas. Already fuel oil and coal were struggling for the chance to heat my house, and now a third material is getting ready to enter the field.

I can only eat about so much, and in this land of plenty there are more things to eat than my stomach will hold. So "the new competition" is active there. The Ba-

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NATION'S BUSINESS

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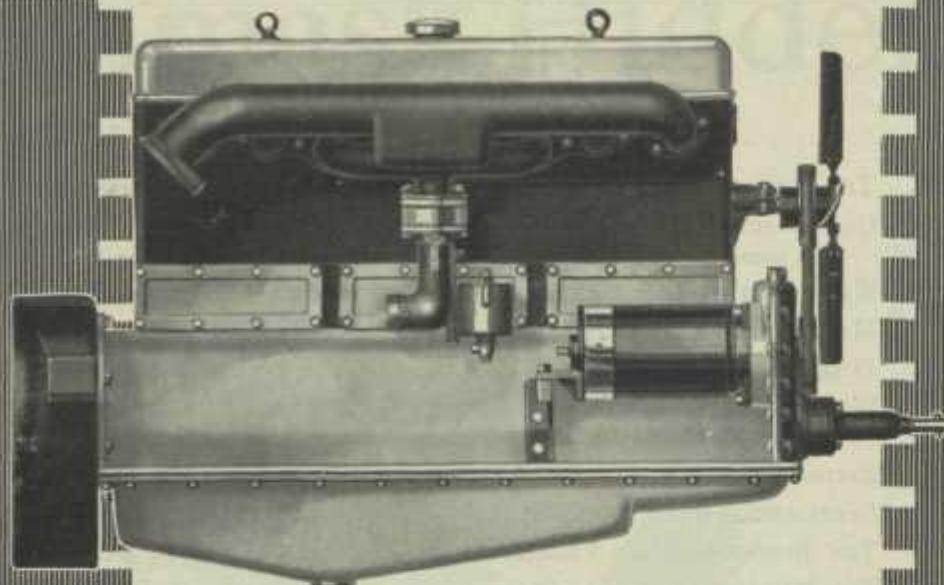
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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers to which expression is given.



More Power for Everybody's Money!

Wisconsin's More Power per Cubic Inch saves money for all concerned.

For the manufacturer it adds sparkle and dash to his truck's performance—which "goes big" with the dealer. For the dealer, this extra power and "ambition" means more sales—unquestionably. And, finally, the dollars-and-cents saving through better mileage on fuel and oil and lowered maintenance costs, gets to the owner. He's the most satisfied man of the three.

That added power is there—evident in everyone of these great overhead-valve Sixes and Fours. Proof positive will be gladly furnished any interested executive. Write

WISCONSIN MOTOR MFG. COMPANY
MILWAUKEE WISCONSIN

Wisconsin Motors are manufactured in a full line of Sixes and Fours, with power range from 20 to 120 H. P.—for trucks, buses, tractors, and construction machinery.

Wisconsin
CONSISTENT



When writing to WISCONSIN MOTOR MFG. COMPANY please mention Nation's Business

nana wants me to know that he is a healthful, nutritious, digestible food; the Orange asks me to remember that he, too, is not merely pleasure-giving, that he has food value; Oats tell me why I should eat them for breakfast; Wheat tells me to eat more bread.

If the nation could be convinced that it would be of benefit both to its pocketbook and its health to eat fish twice as often as we now do what would happen to the packing industry?

That's just a suggestion of "the new competition."

THE OSHKOSH frog, to which we have made one or two references on the editorial pages, has been challenged, not for quantity, but for size. Writing to us from Wichita, Kansas, W. E. Holmes says:

We have no desire to question the truth of the statement of my friend Ed. R. Smith regarding Oshkosh as a "frog center"; but if Oshkosh wants to enter a contest wherein size and weight will be a determining factor, we will issue a challenge right now—and we will accept Merle Thorpe as a referee.

We've fished all over Wisconsin and Minnesota, but we never saw any real frogs until we came to Kansas. You can tell 'em how large they are. We haven't the courage nor the reputation.

We've been so busy raising wheat and drilling for oil that we haven't had time to domesticate and "breed up" any of our frogs; but when we do, it will have a serious effect on the mutton market.

Come on, Oshkosh, and tell us how large they grow; and then we'll go out with a "22" and a pair of scales and show the world what frogs can do where they don't have to stay cooped up during a six-month winter.

All of which is accepted. We have no doubt that Wichita yet will cure frog hams and that one slice will be a breakfast for a family. When Wichita talks about frogs, we are reminded of an old newspaper reporter who thus described a call at a house from which he expected to be thrown out. Said he:

My knees shaking, I rang the bell. When the door opened, there stood the biggest man God ever made, and right back of him was a man twice as big.

THE fine flower of courtesy still blooms. Señor Z. Mendez, "Sombrereros desde 1880"—hatters since 1880—of Monterey, Mexico, writes:

"Nos permitimos manifestar a Ud. que su Magazine, siempre lo recibimos con gusto ya que nos da infinidad de ideas prácticas y modernas."

Which is to say, "Permit us to manifest to you that your magazine is always received by us with great pleasure and that we obtain from it an infinity of practical and modern ideas."

TWO LETTERS, in the same mail, from the same country—Canada.

Says R. Schurmann, of Montreal, Quebec:

I am finding NATION'S BUSINESS less and less interesting. The articles to me are too smart, too American. I have not gone into the matter sufficiently to analyze whether it is the matter or the way it is presented, this is merely the impression I now have.

Says A. E. Parker, member Board of Trade, Winnipeg, Manitoba:

NATION'S BUSINESS reminds me of the obligation placed upon a witness in court, who is told that he shall tell the truth, the whole truth and

**MORE
POWER**





Easy Operating Trolleys Speed up Production—

M. B. Dewey, Asst. Superintendent,
Liberty Foundry Co., St. Louis, says:

"Richards-Wilcox trolleys have made an easy job out of a hard one in our foundry. Over 2 years ago we put the first $\frac{1}{2}$ -ton No. 925 Over-Way Ball Bearing Trolley in our Plant No. 1, and now use 9 R-W trolleys there and 7 in Plant No. 2.

"The trolleys run on a 6 in. I-beam track, carrying molten iron from the cupolas to the moulding floors. Our Plant No. 1 is divided into 5 sections, with an interconnecting track to each section and switches to the track down its center.

"For several years we have been using a track and trolley system for conveying the ladles of molten metal to the moulding floors; but our former trolleys would stick. It was especially hard to push the ladles around the corner, making it a back-breaking job for one man. With the R-W Over-Way trolleys, one man handles the 600 lb. ladles easily, saving both time and effort. The R-W trolleys also require practically no maintenance, but our former trolleys were frequently out of order.

"Our Plant No. 1 pours 30 to 35 tons of iron a day, and Plant No. 2, 15 to 20 tons—all being handled by R-W trolleys. Their easy operation allows greater speed in handling with less effort."



R-W No. 925 Ball-Bearing
I-Beam Trolley sent for

FREE TRIAL

So confident are we of the ability of the R-W No. 925 Trolley to render superlative service that we will gladly send it to any reputable manufacturer for free trial. Such a trial involves no cost or obligation, for if the trolley fails to demonstrate its superiorities under actual working conditions you have only to send it back at our expense. This offer, we believe, is far stronger than any claims we can make. R-W No. 925 is made in seven capacities— $\frac{1}{4}$ to 4 tons. Ask for this FREE trial.

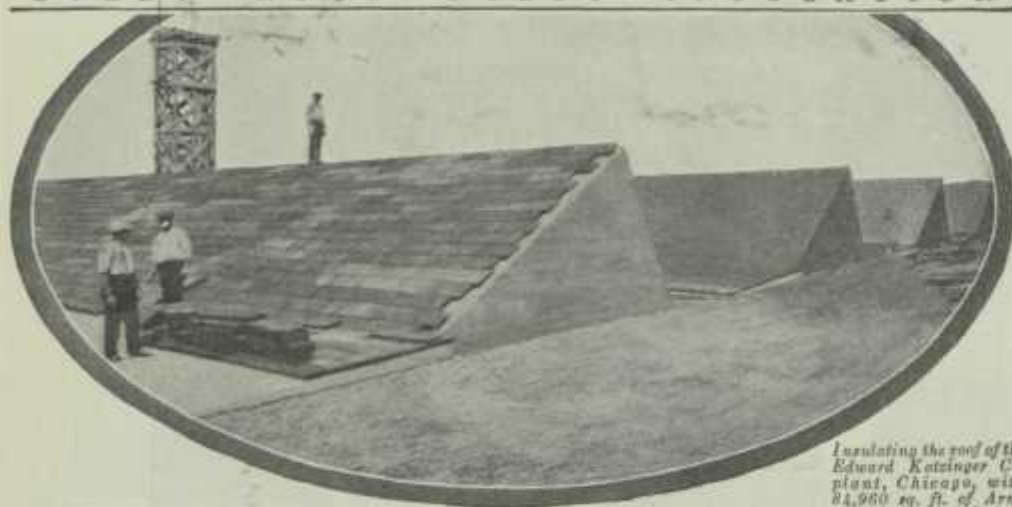
Richards-Wilcox Mfg. Co.

"A Hanger for any Door that Slides."

AURORA, ILLINOIS, U.S.A.

New York Boston Philadelphia Cleveland Cincinnati Indianapolis St. Louis New Orleans
Chicago Minneapolis Kansas City Los Angeles San Francisco Omaha Seattle Detroit
Montreal • RICHARDS-WILCOX CANADIAN CO., LTD., LONDON, ONT. • Winnipeg

EVERY ROOF NEEDS INSULATION



Insulating the roof of the Edward Katzinger Co. plant, Chicago, with 84,960 sq. ft. of Armstrong's Corkboard, A.S. Alchuler, Architect, J. P. Starn, Consulting Engineer.

A Cork Insulated Roof Keeps this Building Comfortable

THE top floor of the old Edward Katzinger Company factory, Chicago, was so hot in the summer months that exhausted employees frequently had to be relieved by men from the floors below. Heat literally soaked through the roof, so that, even with fans on every post, conditions were unbearable.

Then, in 1924, a new factory was built, and it was decided to insulate the roof, 240 ft. x 354 ft., with Armstrong's Corkboard. A statement made by Mr. Edward Katzinger, President, to a firm of independent engineers* best tells the result:

"In the new plant, with its large roof surface, no fans were used last summer, and all of our help were absolutely comfortable . . . Ordinarily, during the summer months, the efficiency of the labor force diminishes. The outstanding feature in favor of cork insulation is that it keeps the floors beneath cool and comfortable, and, in my opinion, increases the efficiency of the workers by 10% when the outside temperature rises above 80°F."

The estimated saving effected by this increased summer efficiency is \$1,564.20, over and above the fixed charges for the corkboard. Add to this another net saving of \$300.75 in fuel (Armstrong's Corkboard keeps heat in in winter), and it may be seen that cork insulation was an excellent investment from the standpoint of economy as well as of comfort.

Armstrong's Corkboard is laid in asphalt or pitch directly on the roof deck and standard roofing applied over it in the regular manner. Any type of roof, old or new, can be insulated with it, and any required thickness can be applied in a single layer. Armstrong's Corkboard will not buckle, warp or shrink. It is moisture-proof and a fire-retardant.

If your factory or office building is too hot in summer, is too cold and hard to heat in winter, or if your fuel bills are excessive, consult our Engineering Department about heat-tight roofs. Address

ARMSTRONG CORK & INSULATION COMPANY

(Division of Armstrong Cork Company)
195 Twenty-fourth Street, Pittsburgh, Pa. McGill Bldg., Montreal, Que.
Armstrong Cork Company, Ltd., Sardinia House, Kingsway,
London, W. C. 2, England

Branches in the Principal Cities of the United States

Armstrong's Corkboard Insulation

for the Roofs of All Kinds of Buildings

When writing to ARMSTRONG CORK & INSULATION COMPANY please mention Nation's Business

nothing but the truth. So with your articles. There's no padding, no unnecessary verbiage which leaves clean-cut statement in such language as to continue to hold readers' interest. The driest subjects become picturesque in the able treatment of your writers.

E. R. EASTMAN, able editor of the *American Agriculturist*, writes:

"I am in absolute agreement with you against the growing tendency in this country to force government into business."

Business, like the late Hon. Julius Caesar said of his wife, must be absolutely "above suspicion" to escape government nosing 'round and meddling.

Remember this: "If business doesn't, government will."

AND THAT leads into this from Lon Saunders, president of the American Security Credit Co., of St. Louis, who read our newspaper advertisement, "Is My Business Worthy of My Boy?" and wrote:

The title condenses in a few words a standard which should be a controlling factor in the life of every business man . . . It is easy for every man in business carefully to analyze the customs of trade and to judge carefully whether or not his business is on a foundation calculated to elevate the moral standard of his associates in business, his competitors and employees.

To follow the idea of self-regulation in business will result in having every man, as far as consistent, follow the dictates of his conscience in arriving at a decision as to right and wrong.

There is no necessity for a law to define proper business ethics, since every successful man knows, if he allows his better impulses to govern his decisions, they will automatically build for him public esteem. . . . We have departed from the attitude that business is a dog-eat-dog affair, and that it is necessary to destroy our competitor in building our own success.

"**NATION'S BUSINESS**," writes W. H. McWilliams, editor of the *St. Clairsville (O.) Chronicle*, "comes to this office a welcome visitor. The many interesting stories of what is really going on in the nation give an insight into events that is not to be obtained elsewhere."

"The Wall Street story ('Wall Street, Main Street and the Farm,' by F. H. Sisson, vice-president, Guaranty Trust Co., New York, in April number) was fine. More education along this line would not be amiss."

That's an assist.

None better than the editor of the country paper knows what's needed for popular economic information in support of sound, wholesome American doctrine, and, as H. G. Wells has said, "it's a race between economic information and catastrophe" in this country.

I'm confident, though, that information will win the race.

OLD SAMUEL SMILES coined a great word in "self-help." There are a number of ways of helping folk, but the best one is to help them help themselves.

That's Judge Hugo Hanft's way.

Judge Hanft, who is presiding justice of the Minneapolis, Minn., District Court, is much interested in the career of his son, who is entering upon a business career—a member of the big Westinghouse organization. The Judge—most properly—wants to do something to help the boy along, so he asks us to send the young man **NATION'S BUSINESS**, as the Judge says, to broaden the young man's viewpoint and to keep him in

*The facts and figures given in this advertisement were secured by the A. C. Nielsen Company, Chicago, a firm of investigating engineers, who have made a survey of the performance of Armstrong's Corkboard in the Edward Katzinger Company's plant. Their report, verified by the president of the company, is well worth reading and a copy will be sent on request.



contact with the trend of business thought and an interested and understanding spectator of the rapidly moving drama of commerce.

A COMMERCIAL club in a western town at its annual meeting celebrated, among its accomplishments of 1925, the coming of a new industry, an undertaking parlor. The 1926 program calls for a drive for a municipal cemetery.

Laudable enough, no doubt, but for the sake of the eternal verities of commercial club work, wouldn't it have been more in keeping to stress the advent of a cedar mill employing 60 workers?

DR. SLOSSON'S interesting article in this number, "Pure Science Pays Its Way," is reminiscent of the labor of the Alchemist—that Middle Age pioneer of science. The romantic Alchemist looked for magic formulae that would turn all one's pig iron into gold.

Milne's memory-haunting jingle comes to mind:

There lives an old man at the top of the street,
And the end of his beard reaches down to his feet,

And he's just the person I'm longing to meet,
I think that he sounds so exciting;

For he talks all the day to his tortoise-shell cat
And he asks about this, and explains about that,
And at night he puts on a big wide-awake hat
And sits in the writing-room, writing.

He has worked all his life (and he's horribly old)
At a wonderful spell which says, "Lo and behold!
Your nursery fender is gold!"—and it's gold!

(Or the tongs, or the rod for the curtain);
But somehow he hasn't got hold of it quite,
Or the liquid you pour on at first isn't right,
So that's why he works at it night after night
Till he knows he can do it for certain.

But, as Dr. Slosson points out, modern science works at its tasks day after day and night after night not to make gold, but to fathom Nature's secrets and to harness Nature's forces to the task of doing humanity's chore work and drudge tasks so that life may be more worth living.

WHILE the funmakers and Babbitt-baiters have their little fling at the fondness of the "butter-and-egg men" for attending conventions and the like, a group of British industrialists who made an intensive survey of American methods are telling their associates in British industry of their amazement at the spirit of the American business man and his willingness to foregather with his kind—even with his competitor—and pool information and effort for the common good.

This convention habit of the American business man, the British investigators tell their colleagues, is the factor that, more than any other, is responsible, to translate it into the well-known Kansas language, for American industry keeping its tail light shining in the face of its foreign competitors.

IS THE college or university "sheepskin" a help or a hindrance to the young man entering business and industry?

The question, probably, will long continue a favorite of pundits and polemics. Here's an interesting comment from Dr. Stratton D. Brooks, president of the University of Missouri, elicited by Agnes Laut's article, "Taking the Curse Off Labor," in April NATION'S BUSINESS:

The president of a great oil company said in my presence that a boy who enters the business

Writing



2

Inserting carbons between sheets



3

Jogging records into alignment



4

Inserting records in machine



5

Re-aligning



6

Removing carbons



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6-N.B.

direct from high school would always be ahead of the boy who entered four years later after graduation from college.

The vice-president, who had charge of operations, immediately refuted this, saying that among all the men in his charge, there was not a single case in which the statement of the president held true except in purely manual labor.

You've paid your money—take your choice.

A CHICAGO subscriber, signing himself "Perplexed," writes:

The weather is responsible. Good weather brings big crops and a surplus. A surplus, they tell me, is bad for the farmer, and the Federal Government is asked to pass legislation to take care of this farm surplus.

Bad weather, such as we have had this year with an Easter blizzard is bad, let us say, for the millinery people. If there is to be legislation on account of good weather it strikes me there ought to be legislative relief on account of bad weather.

I may be foolish, but why not a Federal Act taking care of the millinery surplus? The government could take over the hats and finery, store them, give the milliners scrip, which they could discount at the bank, and set up a Federal selling organization to dispose of the surplus of hats and bonnets in Timbuctoo and Singapore, at an index figure agreed upon by a Federal agency.

Then they could redeem the scrip—maybe.

They tell me the milliners are an integral part of American citizenry and should have due and just recognition by the government in matters of this kind.

Hath not a milliner eyes? Hath not a milliner hands, organs, dimensions, senses, affections, passions, fed with the same food, hurt with the same weapons, subject to the same diseases, healed by the same means, warmed and cooled by the same winter and summer as a farmer is? If you prick a milliner doth he not bleed? If you tickle him doth he not laugh? And if the weather wrongs him shall he not have Federal Aid?

Tell me, what's the matter with the idea?

If "Perplexed" can prove to the politician that "the milliner laughs when he is tickled" and that there are enough like him to count on at election, the bad-weather legislation may have a chance.

THE TROUBLE with so many plans for improvement of industrial relations is that they don't fit different conditions in different industries.

A junior executive once approached William A. Wood, late president of the American Woolen Company, and asked for an increase in salary.

Mr. Wood explained that they were very hard pressed for money since they were putting up some new mills.

"But," he suggested, "I'll tell you what I'll do. I'll name a mill for you."

This is said to have satisfied the junior executive.

The incident was used here and there to show how an executive can by resourcefulness meet a situation.

A big-knuckled laborer driving a team of horses came to the head of the truck department, saying he had to have more money. The manager scratched his head and then reaching out for the magic formula of resourcefulness replied:

"Sorry I can't give you more money, but I'll tell you what I'll do. I'll name a horse after you."

The head of the truck department still wonders why this man quit.

M.T.

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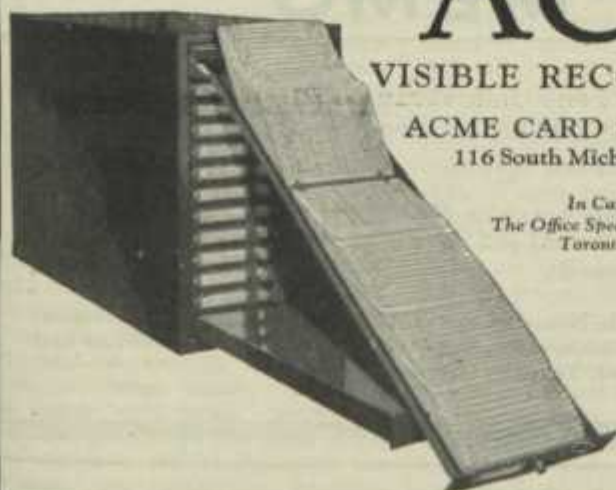
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The New Competition

By O. H. CHENEY

Vice-president, American Exchange-Pacific National Bank, New York



The house builder becomes an object of competition for dozens of different materials

Cartoons by
J. Rumsey Micks

IT WOULD be better for us all if we could at one sweep scrap all our ideas of distribution."

I made this statement the other day in addressing a group of New York bankers and the chorus of agreement which is greeting these words from many parts of the country and from many lines of business makes me feel that I have been guilty of a platitude. Yet almost every day I meet some business men whose ideas of distribution would appropriately grace the quill-pen and silk-hat period of American business.

Distribution a Fetish

THEY think distribution is a semi-sacred process the rites and procedure of which are written somewhere into the Constitution of the United States and that it would take at least a constitutional amendment to change them. They still think the word "competition" means the struggle of two grocers on the same street to sell a woman a can of beans or the battle between two automobile manufacturers in Detroit. They believe in that aphorism which has guided the economic politics of this nation, "Competition is the life of trade"—they believe it probably more enthusiastically about other lines of

business than about their own.

Ten years ago distribution and competition were not what they are today. In fact the methods of yesterday in many lines will probably be antiquated tomorrow. Those of us who are thinking in terms of yesterday's competition are asleep. The noises which you hear in trade association convention halls, in congressional corridors and in the courts are the moans of such business men tossing in their sleep; and the loud cries you are hearing more often are those of some business men waking up with a start to the new competition.

In the late war, which the peace conferees are still so valiantly fighting, warfare left the ground and the waves and invaded the earth under the ground and the sea under the waves—and the air. So it has been with business warfare in the past few years—it has left the old battlegrounds and the old weapons. The business man these days doesn't know where he is going to be hit next, or how. The day is over when a man could see his competitor. It is a wise man who knows his competitor.

It is an interesting study in a neglected field of psychology to observe the degree of consciousness, in the average business man, of this new competition. Some of his re-

actions appear to be almost instinctive—he does not actually realize why he does certain things, but they very often turn out to be right.

The growth of trade associations is an example of this. By some form of herd instinct, men who still consider themselves competitors flock together for mutual protection from the mysterious dangers that lurk around them in the wild business jungle. They do not really realize that the reason why they act that way is that they unconsciously feel that the competition between them has become of minor importance compared with the new competition.

Fighting Days Are Gone

IN THE good old days (meaning almost anything more than thirty days ago) distribution was along a straight line and competition was along other straight lines—at right angles to it. In other words, the line of distribution was from producer through wholesaler and retailer to consumer. The lines of competition were between producers turning out similar products, between wholesalers in the same line, and between retailers selling practically identical goods.

The old competitive methods ranged from price-cutting to arson, including slander, bribery, espionage, man-stealing and fomenting strikes. Competition was competition in those days. When two competitors happened to meet in the same room it was against business ethics for more than one to be able to leave the room unassisted. But nowadays, in these wishy-washy times, when

two men in the same line meet, they start talking about cooperative advertising or standardizing sizes, eliminating unnecessary styles, uniform cost accounting or standard terms to the trade. And, if certain senators from the middle west are not within ear-shot, they may actually talk of a merger.

The new competition is like the new art—the few simple lines which we could recognize and understand in the old competition have been replaced by a confusing criss-cross of angles and curves. Distribution becomes direct and cuts corners in some fields, in others it becomes more intricate with new middlemen. Competition breaks away from old lines, jumps across established methods, and travels up and down the very line of distribution itself.

What the New Competition Is

BUT CLOSER study seems to reveal a logic in the confusion—an apparent method in the madness. But before the song of the new competition can become clear it is necessary to tune out a lot of interfering misconception and overcome considerable static. In fact, it is desirable to switch off and start all over again. That is why I have said that it would be helpful for us to forget all our previous ideas on the subject. As a beginning it is suggested that we do away with the word "competition" altogether and in this way get rid of the old conceptions that cling to the word. Instead of the word "competition" a phrase like "distributive pressure" is suggested; not that it is euphonious or picturesque, but it is more accurately descriptive of the intricate processes which constitute modern competition.

The new competition is, broadly, pressure for distributive outlets; where this pressure was formerly exerted within certain established channels, the intensity of competition has broken these down and is making its own channels. The basic reasons for these terrific and newly directed pressures are, of course, the surplus plant capacity available for production and the tremendous progress in the arts and sciences of promotion and exploitation through advertising, publicity and salesmanship.

These pressures are impatient; they will not allow the stream of distribution to work through from producer to consumer at the old, slow rate. And this accounts for numerous merchandising phenomena which, seen alone, seem strange and often inexplicable; but when they are viewed together from this angle are seen really to be different currents and eddies in one stream. Such phenomena, for example, are hand-to-mouth buying, instalment buying, direct selling and group buying.

This distributive pressure, in almost every line of busi-

ness, assumes the form of intra-industrial competition. Not only do retailers compete with each other, wholesalers with each other and manufacturers with each other, but individuals in each group compete with those in other groups—often with those who may be distributing or manufacturing their products.

This competition may be observed, at the very beginning of the process, with the producer of the raw material. The dairy farmers join a league which buys milk routes and milk-product and ice-cream plants, entering into competition with their own customers. A copper mining company buys a brass factory. Growers in many agricultural lines form gigantic cooperative marketing organizations. Manufacturers become dissatisfied with the volume which they are selling through wholesalers and begin to sell direct to the retailers, as in the grocery field.

Both manufacturers and wholesalers enter into competition with the retailers by organizing chains of retail stores. They go even further and try to eliminate the retailer and sell through house-to-house canvassers, as in the case of hosiery or household appliances; further still, they try to eliminate the canvasser by using the mails, as in almost every conceivable type of goods; and even further, try to eliminate every selling method by getting the buyer to do more selling, as in the recent "endless chain" schemes for selling hosiery.

The Speeding-Up Process

THIS distributive pressure does not work in only one direction along the line of distribution; it works in the other direction also. The flow of distribution is accelerated not only by the pressure of production but also by the vacuum of merchandising; outlets want goods to sell—goods which they can sell more quickly and on which they can make more profit. This type of the new competition also takes on many interesting forms.

The most striking and successful is, of course, the chain-store system, as in groceries,

dry goods, variety goods, tobacco, and the like. By multiplying outlets under one control, the retailer assumes the function of the wholesaler and competes with him. Independent retailers combat chain competition by organizing group buying associations or combining their buying power through resident buyers, as in the dry goods field. Chain and group retailers go even further and enter the producing field, entering into competition with the manufacturer, and frequently the wholesaler does likewise.

This "pulling" force to attract goods and to control the source of supply goes still further back along the lines of production and distribution; automobile manufacturers buy parts plants, Henry Ford buys and builds steel, textile and glass plants, sugar refiners buy cane plantations, tire manufacturers buy rubber and cotton plantations, canners subsidize fruit and vegetable growers.

Vertical Trusts Next?

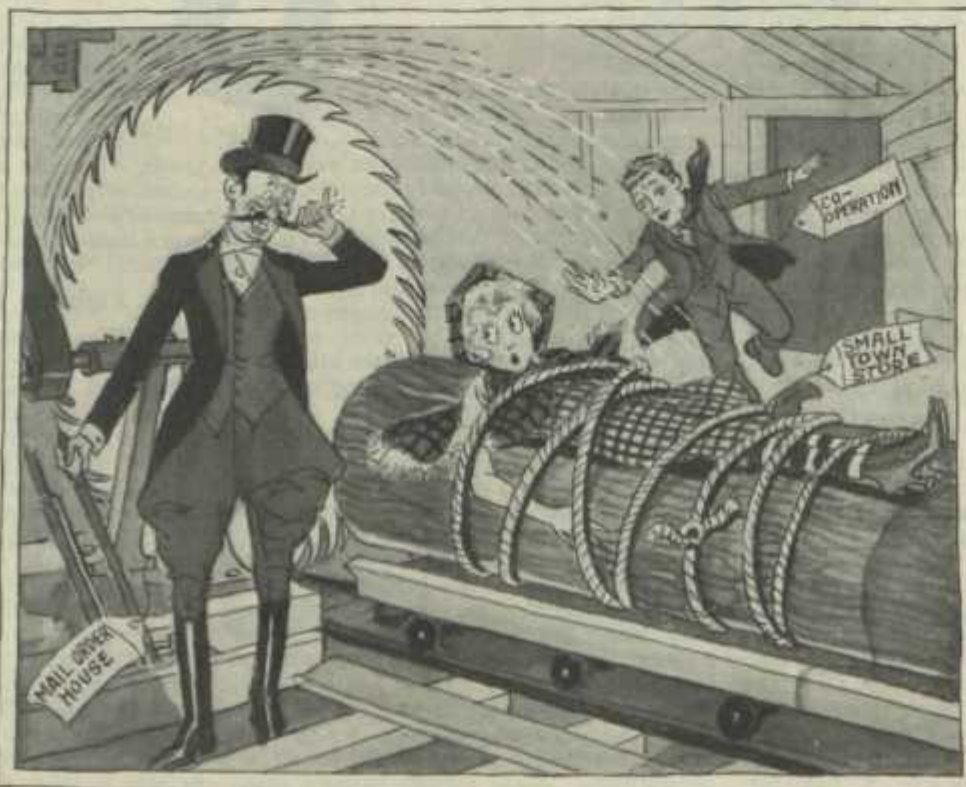
AND THESE two forms of intra-industrial competition become the logical basis of the vertical trust, in which we may possibly see important developments in this country in the next decade.

The tragedies and comedies, with and without music, of the current business drama, are mostly expressions of this intra-industrial competition. Of course the struggle between the poor but heroic small-town store and the rich, villainous mail-order house belongs back almost in the days of the ten-twenty-thirty melodramas. The down-trodden corner grocer crushed under the cruel high-powered machine of the chain system is also not a new theme.

They cannot compare with the nation-wide pageantry of the embattled department, dry goods and hardware stores, fighting the army of the house-to-house canvasser—with the rather anti-climactic last scene in the Supreme Court.

They cannot compare with the nice clean triangle recently in the news—the outcry of the bakers' supply houses against the proposed big bakery merger which threatens to wipe out the small, independent bakers who are their customers.

Nor can they compare in beauty and vigor of dialogue with the resolutions adopted by the women's wear manufacturers and wholesalers against the resident buyer and the unspeakable villainies of group-buying by department stores. The drama becomes more and more interesting and exciting every day as more individuals and groups discover that the real villain who has been ruining their lives is not the other fellow across the street but the man higher up. During the next year or two we may see the business drama combine the best features of a Chaplin picture.



"The struggle between the poor but heroic small-town store and the rich, villainous mail-order house belongs almost in the days of the ten-twenty-thirty melodramas"

Ibsen, the three-ring circus, Hamlet, Luna Park and the Follies.

But this intra-industrial competition, this conflict of distributive pressures along the line of distribution, is only one type of the new competition. There is the competition between two divisions of the same general industry which produce commodities used alternatively. This type we may call inter-commodity competition.

When the weary rent-payer decides to build, he becomes the object of competition between lumber, brick, stone, Portland cement, tile and new combinations—not to forget slate, treated wood shingle, asbestos, copper, zinc and asphalt compositions for the roof.

When his wife answers the call of spring with a new dress she is confronted by the competition of cotton, wool, silk and rayon and the almost countless number of varieties and combinations of these. And the number of products which compete for a place on the dinner table is even less calculable.

In the same category, for instance, is the competition of fuel oil with coal; of the motion-picture with the theater, the radio and the book; of the automobile, bus and truck with the railroad and street-car; of magazine, newspaper and billboard for advertisers. That this type of competition is increasingly recognized is proved by the growth of trade associations and of their constructive cooperative activities on behalf of all interested in a particular commodity or service, and sometimes of destructive efforts against competing interests.

Not One-way Competition

BUT, AGAIN, inter-commodity competition is also not one-way competition. There is not only the competition of commodities for outlets but of outlets for commodities. There are hundreds of products, for instance, which are sold in hardware, drug, grocery and department stores. There is a natural tendency of almost every kind of store to follow the liberality of the drug store in interpreting its function. Only Mr. Wrigley knows all the different available outlets for chewing gum. Real estate and automobiles are being sold by department stores.

Of all the forms of the new competition the one with probably the greatest economic and social significance is that of inter-industrial competition. Only a few scattered individuals at present realize the import of these developments which must inevitably assume a vital intensity in the next decade. A few among the masses of business men are beginning to see and to raise their voices, but their vision is generally trivial, distorted and colored by thwarted self-interest. These men are right, but they are helpless unless they use all the intelligence and energy they can command.

Inter-industrial competition is here; it is the competition of all industries for as much as they can get of the national income—for their share and more of the consumer's dollar. This type of distributive pressure has, of course, existed ever since our cave-man ancestor had to make up his mind whether he should put in some time killing a saber-toothed tiger for dinner or in making some drawings on the wall of his cave. This, in principle, is the equivalent of the conditions decried, for instance, by the clothing merchant who complains that the descendant of the cave-man is not spending so much on clothes because he has to pay instalments on his car. The fact is that this case is only a beginning, and only the first recognition

of a widespread stress in our economic structure.

What is the cause? In seeking it we shall mistake the effect for the cause because they are inter-related inextricably. The next few years may see legislative attempts to ease the tension, forced by those who are losing. But such attempts at reversing the economic laws of gravity will be doomed to failure if they concern themselves with what are thought to be causes.

Inter-industrial competition is one aspect of the pressure of goods for outlets—of increased pressure due to over-capacity for production. This pressure, working through all the powerful machinery of advertising exploitation, has raised the American standard of living to the highest in the world and in history. The ways of spending money have been multiplied a thousand-fold. And, in turn, the American standard of living, es-



"When competitors met in the old days it was against business ethics for more than one to leave the room unassisted"

pecially the margin over subsistence, stimulates more production and new products. Work makes work and buying power makes buying power. There is the circle—not vicious, but certainly vital.

Then Came Instalment Selling

INSTALMENT selling is the dominant manifestation of this inter-industrial competition. The industries using it have unconsciously recognized that, in spite of the high income and purchasing power of the American people, there are limitations. Realizing that this week's pay envelope is pretty well exhausted, they are making organized attempts to assure themselves a good share of next week's. There is no question that instalment selling stimulates demand, increases production, and therefore tends to raise the level of prosperity and buying power. There is no doubt that this accelerated speed of the wheels makes for a feeling of economic exhilaration and social well-being. The question is: How long can this acceleration be maintained? Can the wheels stand this speeding up?

"The automobile industry did it; why can't we do it?" This is the logical question which one industry after another is asking itself and answering in the affirmative. Who can deny that the present prosperity of

the automobile industry is the result of time-payment sales when fully three-quarters of the vehicles sold are financed? Who can deny to the clothing manufacturers, to the paint manufacturers, the right to sell on time? But what can be done about it if the aggregate of instalment buying goes too far? What is

too far? The answers to these questions will have to be faced by business in the next few years. "Competition is the life of trade"—and it's a great life.

Did we have to wait for the delightful debate between Florida and California to realize that there is competition between communities for population? What of the frequent competition between factories for labor? What of the competition between industries for investors?

Overshadowing all these types of competition in the vastness of its effects is international economic competition. True, it is old, but its effects are ever with us—more violent than ever in the last decade. Every day brings new evidence that the distributive pressure of nations is becoming more intense. The techniques of exploitation which have been developed in internal competition have been held in abeyance because of economic difficulties in other countries. When they become active, it is difficult to prophesy what the next few years will bring.

The drama of the new competition becomes more absorbing, more vivid, more hectic. It becomes universal in its sweep. It is impossible for anyone to see it all, because we are all actors as well as audience. And unless we can break away and see clearly, it may be too much for us.

How Coal Started the Blaze in Britain

By P. W. WILSON

Former Member of Parliament



Here are the chaps—a typical group of English coal miners, leaving the pits on strike—who started all the trouble in England when, in defense of a wage made possible only by a government subsidy of seventy cents on each ton of British coal mined, they went on strike. A general strike was called in support of the miners in their battle with government.

Photos by
Herbert Inc.

WHEN this article was begun, Great Britain was in the throes of a general strike. Every organized industry had been summoned to cease work and the only question was to what extent the trade unions would respond. In the name of the King, "a state of emergency" or martial law was proclaimed. Every important industrial center was garrisoned by troops.

The navy was mobilized. Civilians were enrolled into a volunteer force of Fascisti to supply food, milk and other necessities to the population as a whole. Electric stations and other essential services were thus continued. And the collision between the Nation and Labor was direct and violent. It was inconceivable that the Nation should lose the battle. But it is every nation's business to understand why so grave a crisis arose.

Russian Propaganda Active

ONE simple answer is that the whole trouble has been due to Russian propaganda. And if the Labor Movement has passed beyond the control of moderate men like former Prime Minister MacDonald and

This article was written while Great Britain was meeting the greatest industrial crisis of her history in the form of a nine-day general strike.

An armistice came as suddenly as the calamity.

But the fundamentals of the situation—the status of the coal miner and his industry—remain a problem of the utmost gravity.

It is, therefore, worth while to go back a bit to the beginnings, to see what started the sudden conflagration.

There's a lesson for us—a lesson that subsidies are at best a palliative; that they are an artificial, not a real, stimulus.

Mr. Wilson, who served from 1906 to 1910 as a labor member of the British Parliament from South St. Pancras, has represented the *London Daily Mail* in this country, has written much for American periodicals and lectured before many American audiences.

—The Editor

into the hands of Extremists, the influence of Moscow is undoubtedly responsible in part. Many British Communists have been prosecuted for disseminating sedition in the army and navy. And quite the most ominous feature in the situation was the stoppage of newspapers in Britain by the trade unions when editorial policy did not approve of the general strike.

The general strike, in so far as it has been promoted from Moscow, was indeed a move

in a larger game. The Third International knows that until Britain is captured for Bolshevism, there is no chance of capturing Europe as a whole. For years, the Third International has been fighting British labor for the control of the trade unions in France, Germany and other countries. In that persistent but complicated duel, the general strike represents the latest and biggest blow.

Britain Still Sane

BUT IT would be a serious error to attribute the trouble wholly to Bolshevik activity. In a country as sane as Britain, discontent does not arise without substantial reason. Behind all the intrigue and passion and ignorance and prejudice there are certain economic facts which cannot be ignored.

The trouble began in the coal trade. That is the sore spot. And "Emperor" Cook, who, though young, has swept the veteran leaders of labor off the map, is the Secretary of the Miners' Federation. Let us see, then, what exactly it was in the mines that gave him his opportunity.

In the United States, when trouble arose in the local trade, President Coolidge in-

sisted that the industry work out its own salvation. There was a strike. And when the strike had run its course output was resumed on what were broadly the old conditions.

But in Great Britain, the very foundations of society were disturbed. The coal trade has been fighting, not for profits, for in the main there had ceased to be profits; and not for wages, for wages were at a minimum, but for its very life. And in a situation so desperate as it was a year ago, the Government held, rightly or wrongly, that it must intervene. What threatened coal and the country as a whole was nothing less than an economic collapse which, we realize, might threaten to plunge the nation into Socialism.

I will put the case in terms of the simplest arithmetic. In the last quarter of 1925, it cost Britain an average of \$4.10 to mine a ton of coal. She was able to sell this coal, whether at home or abroad, for an average sum of only \$3.75.

On every ton, therefore, she lost an average of thirty-five cents.

Coal Price Varies

FROM month to month, of course, the price of coal varies. And in the past, these variations have been met by a sliding scale in wages and by the usual fluctuations in the return on capital. But here, with wages at the lowest and with most capital unremunerated by dividend, there was a deficit which rapidly absorbed reserves, including credit at the banks. A few mines only were paying their way. Most were running at a dead loss. Some were abandoned.

There were those who said that the situation should be left, as in the United States, to solve itself. The weaker mines, so it was argued, will close. There will be less coal on the market. Prices, therefore, will rise. And the remaining mines will be worked at a profit.

It is enough to record the reasons why this dependence on supply and demand was mistrusted. In 1870, Britain mined more than half the output of coal on this planet. But today she mines only one-fifth.

What, therefore, she has to face is not her own price but the price in the world market.

And she has no guarantee that if she reduces output, other nations—Germany, for instance, or France, or Belgium—will not increase their output and so make good the difference. During the war,

Britain was able to corner coal and to make vast profits on her export, especially to Italy. But that day is over. And part of the present trouble is due to the fact that, during the period of inflation, Britain developed new coalfields in South Yorkshire and Nottinghamshire which produce 11,000,000 tons a year and have a capacity of 20,000,000 tons.

High Price of Coal Costly

EVEN, in Britain's own home market, a high price for coal would defeat itself, for the price of coal largely determines the price of steel. And British steel, like

British coal, has to face world competition. Dear coal would thus mean that less coal would be consumed at the furnaces and that the depression at the mines would be accentuated.

Hence it was that, last year, the British Cabinet, though Conservative and Capitalist, stepped in to save the situation. To many, it will appear that the palliative, applied by the Prime Minister at the outset, was as desperate as the disease itself. It was arranged that, for nine months ending May 1, the Treasury should grant a subsidy to the mines. The subsidy worked out at

an average of 70 cents per ton and so turned the loss of 35 cents into a profit of 35 cents. Fed by the subsidy, the mines continued to be worked. And there was secured a period of grace in which the whole situation could be reviewed.

During this period, a Royal Commission subjected the industry to a drastic diagnosis. In face of a situation so serious, all political differences were forgotten; and the Prime Minister, Stanley Baldwin, though a Conservative, appointed Sir Herbert Samuel, a Liberal, to preside over the inquiry. Sir Herbert Samuel belongs to one of the most distinguished of Jewish families. In earlier days, he had been under-secretary for the Home Office in which capacity he had been responsible for mining legislation. And he knew the subject, therefore, at first hand. The selection of a chairman so distinguished, meant that Britain, with her very life at stake, wanted the truth.

The truth—naked and unpalatable—was set forth in the commissioner's report.

Subsidy Must Stop

TO BEGIN with, the commission laid it down that, whatever else did or did not happen, the subsidy must cease. Coal, like other industries, must be self-supporting. It was a decision against which there could be no serious argument. The subsidy had done no good. After months of this tonic, the mines were in as bad shape as they had been before. And even Labor could not defend such an expedient, for the subsidy, amounting to \$125,000,000 or more, fell on the taxpayer. Why should workers as a whole, many of them receiving a lower wage than the miners, contribute to the income of families, at least as fortunate as their own?

For if coal was to be subsidized, why not boots? Why not iron? Why not cotton? Why not wool and shipping? Burdened by



During the war, Britain cornered the European coal market and big profits were in order. That's over. With methods that hadn't kept pace, last year it cost an average of \$4.10 to mine a ton of coal in England. Under stress of French, Belgian and German competition the best price obtainable was \$3.75—a loss of 35 cents a ton. Realizing the gravity of the situation the government granted a subsidy of 70 cents a ton. Labor demanded continuance of this subsidy—and the fat—or more literally, the coal—was in the fire.

subsidies, the British Budget, heroically balanced, would be driven into chronic deficit; and British credit, restored to a gold standard, would be at an end.

But to stop a subsidy is not so easy as to start one. It is like turning a bicycle from downhill to uphill and the cabinet was prepared to continue the subsidy for a few weeks on condition that a settlement was in definite progress. It was the decision of the miners to resist every reduction in wages and every addition to hours which led the cabinet to bring the matter at once to a showdown.

This cutting of the coat according to the cloth was a process too painful for the miners to endure. As we have seen, the cost per ton of coal is \$4.10. That cost represents \$2.92 for wages and \$1.18 for all other expenses. To save 35 cents on the smaller item would be impossible. There had to be, therefore, a reduction in the money received by the workers. And even a reduction of 10 per cent in the wage bill would only yield 29 cents.

Nationalization

ALL OF us know the story of the old lady who, in her religion, was constantly comforted by "that blessed word, Mesopotamia." For British Labor, when in trouble, the blessed word has been Nationalization. "Here in the mines," said the Socialists, "has been private enterprise. And private enterprise has broken down. Let the state take on the job."

The fact that nationalization of mines has been so seriously discussed shows how far and in what direction things have drifted. But inevitably the Commission has had to reject the Socialist panacea as presented. What the industry needs is a cheaper production of coal. But what the miners mean by nationalization is employment for everybody and more money for everybody employed. And, as individuals, they advocate this fluently.

Under nationalization, the state, being the owner of the mines, would be compelled, of course, to stand the loss. Financially, therefore, nationalization, instituted under present circumstances, would be equivalent to a perpetuation of the subsidy on an expanding schedule.

But, if private enterprise is to continue, how is the present cost of producing to be reduced? What is wrong with the bill for Labor?

The common impression that a high wage bill means high wages is a fallacy. For a full week's work, a hewer in Great Britain receives \$15, while at the surface, a wage of \$10 would be nearer the average.

And under the present conditions, there are many weeks when the full wage amount cannot be earned.

According to American standards, the men are poorly paid, and if they fight further reductions, they are not villains; they are merely giving tangible evidence of their inherent humanity.

The trouble then, is not that, as individuals, the miners are overpaid, but that too

many of them are employed. Not enough labor is saved by machinery. The annual output of British coal is about 250,000,000 tons and during the last twelve years it has not increased. But within that period, the

area, would have to be adapted to areas where, perhaps, the mines are older and deeper and in any event are worked on a narrower surplus over expenses.

At any time, such an ultimatum to Labor would have led to an immediate and general strike. If today the miners discussed them at all, it was because they knew that they were up against, not capital and dividends, but competition and deficits. Facts were facts. Still, it was found to be impossible, even for the Government, to force so bitter a pill down the throat of organized labor without a grave struggle.

Plan to Reorganize

IT IS fair to add that the reduction in wages would be accompanied by a plan to reorganize the entire industry. It is now realized that 3,000 separate mines, run by 1,500 separate companies and paying royalties to 4,000 landowners, cannot compete with the consolidated coalfields of Germany. Little business must be amalgamated into big business. And as Britain has neither a Rockefeller nor a Ford, the State will have to supervise the consolidation.

First, the landlords, receiving royalties, are to be bought out at a capital cost of \$500,000,000. This will mean that all leases will be held directly under the State which will be able to promote the amalgamation of mines, to facilitate economies, to encourage the use of new machinery and to enforce profit-sharing between capital and labor and, incidentally, to insist on the provision of baths.

It is also laid down that the State assumes possession of all unworked coal—that is, coal not yet exploited under royalty.

Attention is to be devoted, moreover, to the use and distribution of coal. On railroads, the size of the standard coal car is to be raised to 20 tons—even so it is only half the size of such a car in the United States—and in the cities, the distribution of coal to the consumer is to be municipalized, which means unification into a retail monopoly.

Finally, the Government has introduced a scheme whereby, at the mines where coal is immediately available, superpower stations for the supply of electricity are to be established.

And in the use of coal, for the first time, a serious and scientific attention is to be devoted to by-products.

Four-fifths of the coal in Britain is consumed in the "raw" state, and the by-products lost.

So vast a program of economy and development would never be undertaken by any country, except under the stress of an urgent necessity. To end the general strike thus was not the only task before Great Britain.

If she is to remain in the forefront of the world's commerce, she must take measures which will prevent any such strike arising in future.

She has had warnings. And the last warning was a threat of social revolution.



British miners casting strike ballots

number of miners has risen from 1,048,000 to 1,156,000. This is an increase of more than 10 per cent.

Before the war, there were 114 "offhands" employed for every hundred men at the face of the coal.

There are now 145 such men. And the production of coal per miner is less than 250 tons a year or not one-third what it is under normal conditions in the United States.

How to Consolidate Labor

HOW labor is to be consolidated, has been the next question. The employers say that a shift of 7½ hours—compared with 8 hours on the continent of Europe—is too short and that the men should put in an extra hour a day without extra pay. While the Commission does not, in terms, accept this draconic solution, it advances a program, scarcely less shattering to trade union regulations.

The hours to be worked per week would remain substantially as before, but daily shifts would be lengthened so as to save waste of time.

Moreover, wages would be cut. Not only would the higher scales be reduced but the national minimum wage for which the unions have fought so hard and so long would be abandoned.

This would mean that a scale of wages, payable by a strong mine in a prosperous

What British Labor Learned Here

By RAYMOND C. WILLOUGHBY

EIGHT British workers traveled 5,000 miles in the United States to learn and take home with them, if possible, the secret of high wages in American industry.

These are the things they discovered:

An effective readiness of American employers to pay for all they get from their employees.

A general willingness of employees to work hard.

A prompt acceptance by managers and men of time-saving and labor-conserving machinery.

A continual search for new ways to cut costs.

An active spirit of teamwork.

Daily Mail Sends Mission

DURING the month spent in the United States under the sponsorship of the *London Daily Mail*, the party, which included members of the engineering and mechanical trades, sought an understanding of "why it is possible for American industries to pay higher wages than we are paid, and yet undersell us on the same production in the world market."

The delegates explained that "the great *Daily Mail* has sent us out with an absolutely free hand—they do not even know our

politics or personal views. We could not wish for better facilities for an impartial inquiry into the secret of high wages."

The visitors were earnestly concerned with wage and profit-sharing systems, with the training of apprentices, with the facilities for recreation, for serving meals, for the care of the sick and injured, with the provisions for retirement and pensions, and with the development of industrial democracy. Everywhere the missionaries had the fullest opportunity to see everything for themselves, for "the companies put all their cards on the table," they reported. Their experience at the General Electric Company's plants in Schenectady was typical, for there

in small groups or individually as desired, they were taken to the departments concerning their own trades in both plants, turned loose with passes for free circulation, and invited to talk with American workers for any length of time, no company officials or other outsiders being present.

Sharp Contrasts Brought Out

SIGNIFICANT of the sharp differences between industrial conditions in Britain and America is the fact that a good part of the information obtained by the visitors came

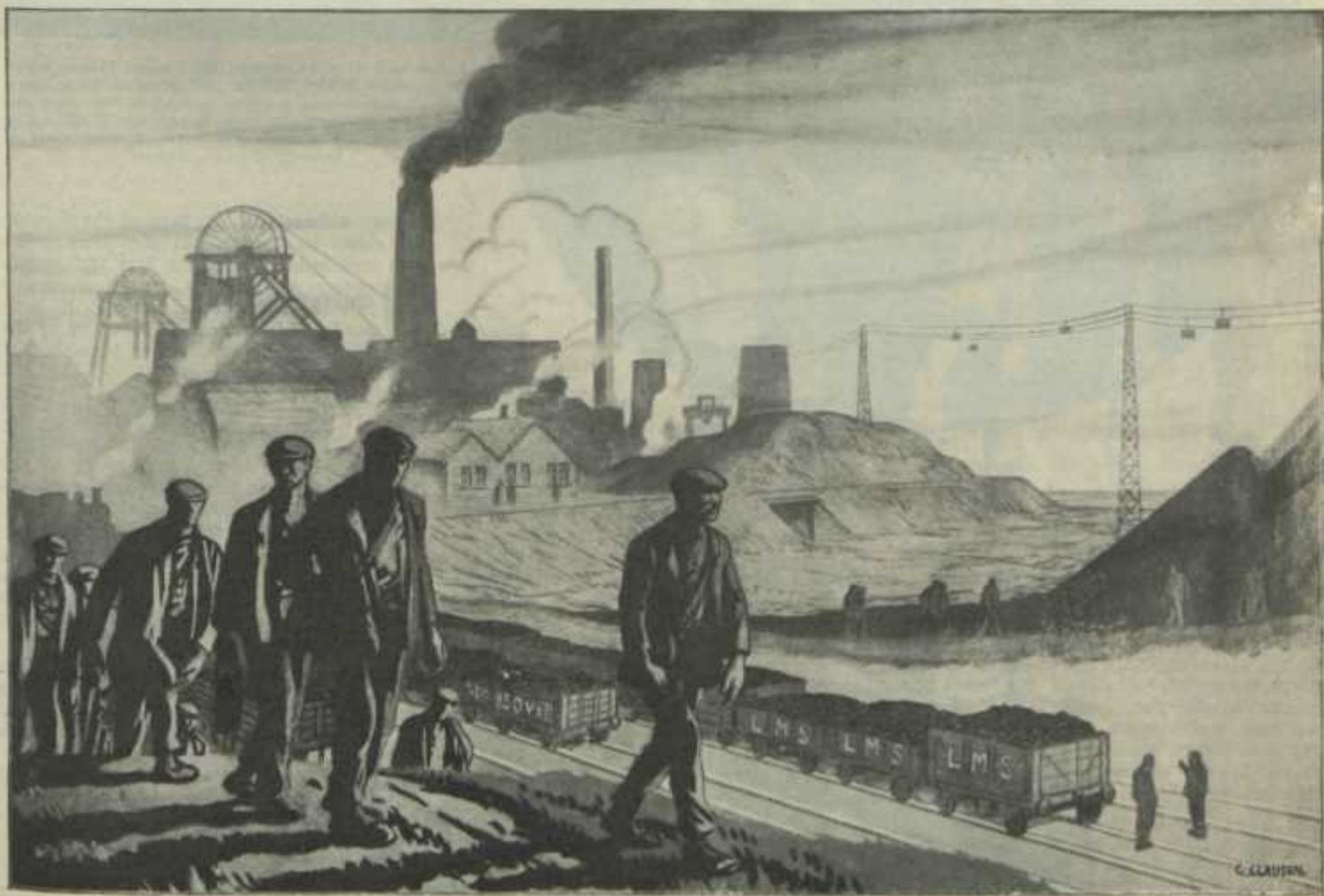
from men or the sons of men who had once been their shop mates in their own country. The frequent use of the words "amazing" and "astonishing" by the delegates is a definitive commentary on the present state of industrial organization in the United States, for it is contributed by the first men from abroad who "actually put aside our overalls and left our lathes and work benches to come here and see for ourselves."

Tour of American Cities

THE TOUR included New York, Brooklyn, Schenectady, Buffalo, Niagara Falls, Cleveland, Chicago, Detroit, Flint, Gary, Pittsburgh, Washington, Baltimore, Philadelphia, and Cincinnati.

In New York at the plant of the Arctic Hygiene Ice Company the delegates saw "one hundred men quietly producing one thousand tons of ice daily as the directors of machinery instead of 'human muscle.'" When watching the control of filling and freezing tanks by switches, the delegates noted that "one man performed both operations, which in Britain require two."

At the Neptune Meter Works they saw a molder making flask molds by a process of which they said: "In England a man doing the same job would work twice as



This—a British artist's idealization of a British mining scene—is in strong contrast with certain phases of the realities as presented through the photographer's lens in the previous article. The picture above was painted for poster use by the London, Midland and Scotland Railway.

hard, do half as much, and earn half as much." They were impressed with the individual lockers filled with the street clothes of the men on duty—even the character and quality of these garments evoked comment, because they are better than the work-day garb of their mates at home."

When one of the delegates found that men and women worked side by side, doing the same work and getting the same pay, he asked "Why?" The answer was "Why not? The motto shown in these shops is 'Economy, Service, Justice.'"

Inquiry into the Edison Company's relation with trade unions was answered with the explanation that

our relations with the unions are of the best, but that does not mean that any one connected with our company has the right to ask a man whether he is a trade unionist or not, any more than to ask whether he is a Republican or Democrat. I can not even tell you how many of our men are trade unionists.

A Model City Chosen

NO BETTER city than Schenectady could have been chosen, the delegates agreed, for contemplation of the contrasts with industrial conditions in Britain. When they entered the works of the General Electric Company they were struck with the "lines of parked



motor cars between the buildings, the majority of which were owned by working men."

Finds a Desire to Earn

THEY found "a determination among all classes of labor to earn as much as possible, and consequently there was an atmosphere of concentrated effort," but "most significant of all," they found "an air of contentment and a spirit of comradeship between employes and men from the highest to the lowest." From a former shopmate they heard that

high wages in this country are partly due to the fact that the men are prepared to work harder, yet they are not hounded about. The impression that American employers drive them in an eternal hustle is all wrong. . . . My experience in Britain was that as soon as a man did enough work at the rate of wages

fixed he sat down. Here they are dollar-greedy, and make all they can. . . .

While observing the service of meals to fifteen hundred employes in one of the company's restaurants, they also saw other employes, "including women in fur coats and silk stockings carried free in the company's omnibuses to the gates on their way to town cafés or homes."

A typical home of a man earning \$35 a week, the delegates found, had "hardwood floors, a tiled bathroom, and a telephone."



Scenes such as this in one of the General Electric plants intrigued the British visitors. When one of the delegates learned that women workers were given the same pay for the same work as men he asked "Why?" The answer was: "Why not? The motto of these shops is Economy, Service, Justice"

The surprise of the visitors "surprised the occupants, who consider that such surroundings are the

ordinary essentials of a workingman's life here."

J. A. Smith, general manager told the delegates that the way to increased wages is by increased production.

To teamwork R. B. McColl, general manager of the American Locomotive Works in Schenectady, attributed the success of his company by saying,

Our men think of one thing—how many locomotives can we produce? We pull together. There are no dark suspicions of employers in the minds of the men. If you don't believe it ask them.

And one of the foremen told them,

By talking with the men you will find that better conditions produce higher output. They don't lie down on a job. They know the quicker it is done the sooner new work comes in.

Members of the mission were "rather

shocked" at the plant of the Standard Peninsular Brass Company in Detroit, they said, at seeing "pretty, muscular young women with bobbed hair, wearing smocks over frocks or knee breeches of rough material, and nearly all with silk stockings and smart shoes, bend over lathes, intermingled haphazard with men of all ages."

Here again the delegates saw the results of competitive effort. Molders average about 150 molds a day, but one man was turning out 220 without protest from other workers,

or any attempt on the part of the firm to cut down the piecework price because he was making more than the firm anticipated. "The company does not care if a man is able to make 500," according to P. E. Welton, plant superintendent. "We stand by the price and it is up to the men to make the most of it."

Inspects Ford Motor Plant

BEFORE leaving Detroit the party inspected the River Rouge plant of the Ford Motor Company under the guidance of C. E. Sorensen. His explanation of the high wages paid in the United States was:

High production, but the employer who wants high production must start the ball rolling by paying high wages, and he must afterwards watch carefully that he gets what he is paying for, as he has the right to do.

At Flint, E. Barth, general superintendent of the Chevrolet factories, told the visitors that 50 per cent of the company's eight thousand employes were buying their own homes.

At the Buick plant the delegates heard the plain-spoken views of Frank M. Durham, assistant general manager, who told them:

You could do much more than you are doing. You have got the men—you have better trained men in your shops than we have, so it is not ignorance or incompetence. Men do

work harder in this country, whatever you may think to the contrary. . . . We do not care how much a man earns as long as he earns it.

The Crane Company desires that all its men earn all they can, the delegates were told when they visited one of the company's Chicago plants, for "if a laborer does not develop an aptitude for earning more in the first six weeks, he is not the man for us." Long service is the rule in this plant where "one man has been fifty-two years; others with more than twenty-five years' service are very numerous."

Piece rates when once established by the Western Electric Company are never changed, the delegates learned, unless the process of manufacture is changed. "As a matter of fact," they were informed, "some of the prices now prevailing are too high, but they are still paid without question, because the method of manufacture remains the same." This company's expenditures for new tools and equipment for special contracts is about \$1,000,000 a year, and for one job alone it spent \$450,000.

Secretary of Labor Speaks

DURING their stay in Washington, the delegates were addressed by Mr. Davis, the Secretary of Labor, who declared:

You must speed up. Big production is the only hope for you. Anything that takes a physical load off the workingman is a good thing. When a new machine comes, man that machine. We here could not pay the prices we do unless we produced. Industry is a mutual affair, not a fighting proposition.

The position of the American Federation of Labor was defined for the missionaries by William Green who said:

We believe that the success of industry depends on high wages and great production. With our high wages we have succeeded in bringing about the most economical production of manufactured commodities in the world. Therefore we are cooperating with the management in the elimination of waste, because the working man suffers most of all as the result of waste. Our conviction is that if prosperity is to prevail the purchasing power of the worker must keep pace with the increasing power of productivity. The great mass of workers must buy back the things they produce.

An informative comparison of the attitude of Britons and Americans toward work was provided by T. Murray, a member of the United Pattern Workers' Association, employed at Glasgow, who expressed the belief that "on the whole the American did work harder than the Briton."

Hundreds of thousands of young Britons had not done any kind of work for years, he said, and for them, he believed that a simplified method of production requiring only the lowest possible average of ability, and at the same time the highest output would be a real uplift for them, mentally, physically, and spiritually.

The intensified methods of mass production he had observed in the United States could not be regarded as soul-destroying, he said, when qualified with the short working day, the long period for

rest and leisure, better home comforts and opportunities for culture—circumstances which gave peace of mind.

Further evidence concerning the three essential facts of the workingman's state in this country—high production, high wages, and a high standard of living—was obtained when the delegates visited Pittsburgh. At the Union Trust Company's building they learned that "fully 50 per cent of its safe deposit boxes are rented by men on weekly wages," and that men earning \$50 a week in engineering trades show the keenest interest in investments as against stock market gambling, and many of them are concentrated on the increase of their small capital to the exclusion of all other interests.

At the plant of the Mesta Company, which employs twelve hundred men in the manufacture of heavy machinery, the visitors saw impressive demonstrations of the American practice of bringing tools to the job, rather than the job to the tools. A 22-foot steel bed plate, costing \$60,000, enabled drilling, boring, and shaping machines to be used at the same time, instead of laboriously moving the work.

Talks with the men brought informative statements. A foreman said:

Better relations between employers and workers? I should say so. My experience on the other side was that masters were regarded as little tin gods, and the men were afraid to talk even to a foreman familiarly or make any suggestion. Here a man can go direct to the superintendent with any grievance or any idea for improvement, and he is welcome. One of the power-hammer operators declared:

I have never had a job yet that I did not make more than time wages. There is no comparison with the other side, although I made big wages in Glasgow as wages go there.

Another "cheerful exile" exclaimed:

Go back to England? No fear! I am far better off here. I have three times as much brass in my pockets when everything is paid than I had in Manchester.

Working Girls Dress Smartly

AMONG the interesting impressions received by the delegates during the day spent at the Westinghouse Works in East Pittsburgh was "the spectacle of 2,300 girl workers in the shops, the majority young. All were well dressed, with the usual predominance of silk stockings and even silk frocks, and the lavish use of cosmetics. One girl, wearing a smart dress trimmed with fur, was tending a machine." Answering a question about the company's method of dealing with labor troubles, Robert L. Wilson, works manager, said:

We classify the job, not the man. We pay a man for what he is doing, not for what he is able to do. We believe in the adjustment of wages on an individual basis.

The "Long Service Order" organized in the shops of the Cincinnati Milling Com-

pany at Oakley, near Cincinnati, interested the delegates. A gold badge is given to every man when he completes fifteen years of employment, and a diamond is inlaid in the badge for each additional five years of service. "Bud" Sands, the oldest employe, who has been a wage-earner forty-two years, told one of the visitors:

It hasn't been hard work. I have enjoyed every bit of it. If every man could be as well satisfied as I am it would be a happy world. If there is a man here not willing to do his utmost at all times it is his fault.

A Round-Table Conference

BEFORE returning to England the delegates took part in a round-table conference in New York with the heads of some of the most important units of "big business" in the United States, engaging with them in a frank exchange of views on questions affecting the relations of employers and employes on both sides of the Atlantic. The value of the conference was enhanced by the fact that "every man at the table who is at the head of his own business started either in overalls or in an office on the bottom rung of the ladder." Answering a question about the consequences of a slump, W. W. Atterbury, president of the Pennsylvania Railroad, said:

It is highly necessary to stabilize employment. In many places the ruling rate of wages is regulated by the demand for men. The great industrial concerns throughout the United States are trying to stabilize the labor market.

From John J. Raskob, vice-president of the General Motors Corporation, came this:

We are trying to keep production down to the limits of consumption. We realize the importance of labor being in a position to tide over possible periods of depression by maintaining these plans. American industry cannot, however, work out any plan to provide doles for the unemployed workingman.

In the closing discussion, Julius Barnes, president of the Barnes-Ames Company, a former president of the Chamber of Commerce of the United States, appealed to the delegates not to return with a feeling that in America only dollars mattered, thus:

We have a profound belief that we are trying to eliminate the spectre of insecurity which overshadows man everywhere.

The more you produce per man, the more there is to divide per family—that is our philosophy. Wages, dividends, and profits are up, and costs are down.

The increase in the use of machinery has not meant unemployment. When a magnetic crane handled by two men began doing the work done the day previous by 128 men, it did not mean that 126 men were discharged.

We hope you will go back convinced that America has a high standard of living, and that it is because we have learned to produce. We hope you will take back some of the idealism behind all this. Every one of us has risen from

the ranks. Every one has the interests of his men at heart.

In American industry there are no secrets. We take an invention and apply it almost overnight. That is one reason why our prosperity has been so rapid. The security of the individual and happiness in the home—that is our aim.



Making Uncle Sam a Better Customer

By WILLIAM P. HELM, JR.

Cartoon by Charles Dunn

SIXTY-FOUR years ago Abraham Lincoln sat at his desk in the White House of a fine June morning and pondered over a document which had lately come to him from Congress. He read it twice, as was his custom, reached for his quill and with a single stroke affixed his signature.

Thus in the course of ordinary routine one more federal law took its place on the statute books.

It was an unusual sort of law, spawned in the hotbed of battle and temptation. Its title, An Act to Protect the Government from Fraud on the Part of Its Officers and Agents, keyed accurately the lock it sought to put upon the Treasury against the wartime profiteer and the traitor in the public service. It provided for publicity of contracts, for blue ribbon, gold seals, a force of clerks and miscellaneous gadgets to give it force and effect.

Made Duplicate Contracts

UNDER its terms, briefly, the three great purchasing departments of the government, War, Navy and Interior, were required to make duplicates of all their contracts. These, with every bid, advertisement, communication and other relevant scrap of paper were to be tied together with blue ribbon or red and deposited, for public information, in the new Returns Office of the Interior Department.

The original contracts were to remain with the departments; to the duplicates the public was to have access at all proper times, and for a fee of five cents per 100 words, copyists expert in penmanship were required to furnish certified records of any contract desired.

A fine law it was undoubtedly for the stirring days of the Civil War and one that, perhaps, saved many thousands for the public purse.

When the Civil War passed there passed also the emergency that gave the new law birth. But nations, like men, often forget details; and Congress apparently forgot to repeal or change this wartime law. Sixty-one years have elapsed since Appomattox. The Congress that passed the law, the President that approved it, the officials whom it first bound to its terms

—all have long since been gathered to their fathers. Yet the law lives on, forgotten by everyone save the handful directly affected, and is today as binding upon the Secretaries of War, Navy and the Interior as it was when Grant and Lee were in their prime.

Nearly two score new departments and boards have been added to the federal establishment since the Blue Ribbon Law of '62 was passed, yet the hoary statute, un-

haps, half a dozen in the three affected departments are carried on the pay roll to meet the exactments of this law. They and their predecessors have been there since before the days of Shiloh and the Wilderness.

Something ought to be done about it, of course. And now, after the lapse of more than two generations, something is about to be done. The Blue Ribbon Law of '62 is marked for the ashcan. It is about as useful now as a fountain pen would have been to Adam.

Now if the Blue Ribbon Law of '62 were the only useless law applying to government contracts, this recital would end here. But such is not the case.

The hoary old law is simply one of 224, many even older, by which Congress has sought, during 145 years, to Protect the Government Against Fraud.

Those laws have never been overhauled and revised save in 1878 and then Congress continued most of them. But a new overhauling is at hand.

Survey of Legal Side

FOR THE better part of four years a branch of the Government known as the Interdepartmental Board of Contracts and Adjustments has been making a survey of the antiquated and creaking legal machinery which enshrouds all government contracts with red tape.

The board is chairmaned by Gordon A. Ramsay of Chicago, a protege of Charles G. Dawes who created it when he was the head of the Budget Bureau. Mr. Ramsay and his fellow boardmen have already simplified to great extent government dealings with those from whom it purchases—as told in previous issues of NATION'S BUSINESS—and

Many a man deals at the store when the storekeeper wishes he wouldn't, because his methods are too petty and mean to suit the retailer.

Our Uncle Samuel has been that kind of purchaser in the past.

He spends about \$225,000,000 a year, but he hedges his accounts with such restrictions that many reputable firms hesitate to do business with him.

Mr. Helm sees signs of a change. Uncle Sam wants to be a better buyer, and hence is considering a reduction of the number of laws regulating his transactions.

—The Editor

changed and unmodified, ignores them all. A single department, the Treasury, expends today three times as much as the War, Navy and Interior Departments combined, yet the protective law of '62 has not been altered to apply to the Treasury. War, Navy, and the Interior it was in the beginning and War, Navy and the Interior it is now.

For more than three score years, under this forgotten law, the Returns Office has been faithfully accumulating, at a cost of about \$15,000 a year, all told, duplicates of all contracts executed by those three departments. So far as known, every contract made since June 2, 1862, is on file in the archives of this little known branch of the Government. Twenty-five

thousand new contracts are laid on its shelves every year. More than 1,000,000 bundles of papers, deftly bound with miles of ribbon once brilliant red or baby blue, are yellowing in its files.

Two clerks in the Returns Office and, per-

are now moving toward the grand climax of their efforts, a new, simplified and equitable government contract law.

As the first step, Mr. Ramsay and his associates codified and published in a single volume all the federal laws relating to contracts. They found a veritable crazyquilt of legislation.

Congress had been patching the old coverlet since 1791 and during all the years, apparently, had never ripped off anything that had been put on before. Quaint legal verbiage of the days of George the Third



shook hands across the centuries with more modern terms of the Uncle Joe Cannon period and the snappy expressions of the Volstead era.

Legal directions for doing business with the Government, as a result, were as inconsistent as the course of a tin-canned pup. Go-go green and Stop-stop red flashed simultaneously. "You must" and "you mustn't" alternated like painted horses on a merry-go-round.

Largely because of the law's conflicting provisions, its maze of uncertainties, its boundless twilight zone of doubt and its utter lack of flexibility, a government contract was—and is now, to great extent—generally regarded as something to be shunned.

The Interdepartmental Board is trying to change all that. It realizes the necessity for adopting Twentieth Century business methods for Twentieth Century dealings. It has proceeded on the theory that the average man or firm seeking a part of the \$225,000,000 business done annually by the Government is honest and will live up to his bargain if he understands clearly what his bargain is.

To Make All Contracts Fair

IT IS the Board's desire to make unmistakably clear just what the bargain is in every case; to lift unreasonable restrictions of today no matter how reasonable they were yesterday; and to make it as easy and pleasant to fulfill a government contract as it is to fulfill any other by making the contract fair and just in its terms and, as a

laws, government officials administering their part of the contract have no latitude. It is mandatory upon them to impose the penalty. With the single exception of the Treasury Department, every branch of the Government must enforce literally the provisions of the penalty clause of a contract no matter how unjust the penalty may be when measured in the light of all the circumstances.

The Interdepartmental Board plans to change that so that other officials will be given the same latitude as now extended to Mr. Mellon with respect to penalty enforcement.

Who Pays the Bond Premium?

THEN, again, almost every contractor doing business with the Government must give a surety bond, rigorously defined, for the faithful performance of his work. The premium may be \$100 or it may be \$5,000. Who pays it? The contractor, of course, but, like the salesman's overcoat, it's in the expense account and is passed on finally to the



result, to save money for the Treasury in getting terms that are better because they are more equitable to contractor and Government alike.

Take, for instance, the penalty clause which is part of many government contracts. A time limit is set for the completion of work or the delivery of supplies. Somewhere along the line between raw material and finished product, it often happens, there is a freight jam, a congested railroad yard, a traffic squeeze at a rail bottle neck—circumstances over which the contractor has no more control than he has over the movement of Mars—and the job is not done or the goods are not delivered on time.

The Government immediately slaps on the penalty, a good round figure, say \$50 or \$100 a day, for every day of delay. The contractor takes his loss. He has taken it hundreds of times in the past. It is one of the hazards of doing business with the Government.

Why?

Because under the existing network of

firm, which, in this case happens to be the United States Government which means the taxpayers.

Mr. Ramsay and his associates agree that the Government should be protected in some way against failure on the contractor's part to carry on. Mr. Ramsay and his associates also have been investigating and have found that in the past the Government hasn't collected from surety companies in penalties one-tenth of the amount paid those companies in premiums.

In other words, it comes down to about this: where the surety bond premium on a government job runs to \$5,000 (which the Government, of course, pays indirectly) the Government's collections on that job will average \$500 or less. Of course, that is an average; no collection at all is made in most cases.

Here is a clear loss of \$4,500 plus an unwarranted imposition on the contractor. There is a way out, of course, and the Interdepartmental Board is seeking it. Incidentally, that is the only kind of insurance which the Government carries.

A third thing: when Mr. Wilbur or Mr. Jardine or certain other officials need supplies urgently in small quantities they may go into the open market and buy them up to \$500 worth, but when Mr. Hoover or Mr. Sargent or certain other officials need the same kind of supplies just as urgently they cannot buy more than \$25 worth in the open market and without advertising.

Possibly there is a reason but it doesn't

BIDDERS



appear on the surface and the law will be changed if the Board's recommendations are followed. Other queer inconsistencies bob up at unexpected turns.

Why, for instance, should the Secretary of the Navy be allowed to contract for butter, cheese and tobacco for more than a year ahead and not be allowed to contract for shoes, uniforms or gunpowder for the same length of time?

As the result of its long study, the Board has drafted a proposed new contract law. This measure, which runs to about 4,000 words, would specifically repeal about 75 of the present batch of 224 laws governing contracts.

Repeals Obsolete Statutes

IN ADDITION, it would repeal, by blanket provision, about 75 other old contract laws, thus ringing the knell of approximately two-thirds of all such laws now on the federal statute books.

Most of these 150 laws have been obsolete for some time.

Further, the proposed new law would modify more than 40 of the remaining 74 laws.

Bushels of red tape have been cut from the procedure of doing business with the Government. So far, in the process of review, little of this has been restored and what has been put back has seemed necessary, on second thought, to safeguard the public interest.

For the first time in more than a century a government contract, under the new law, would be as nearly equitable and understandable as a business statute, framed by business men, could make it.

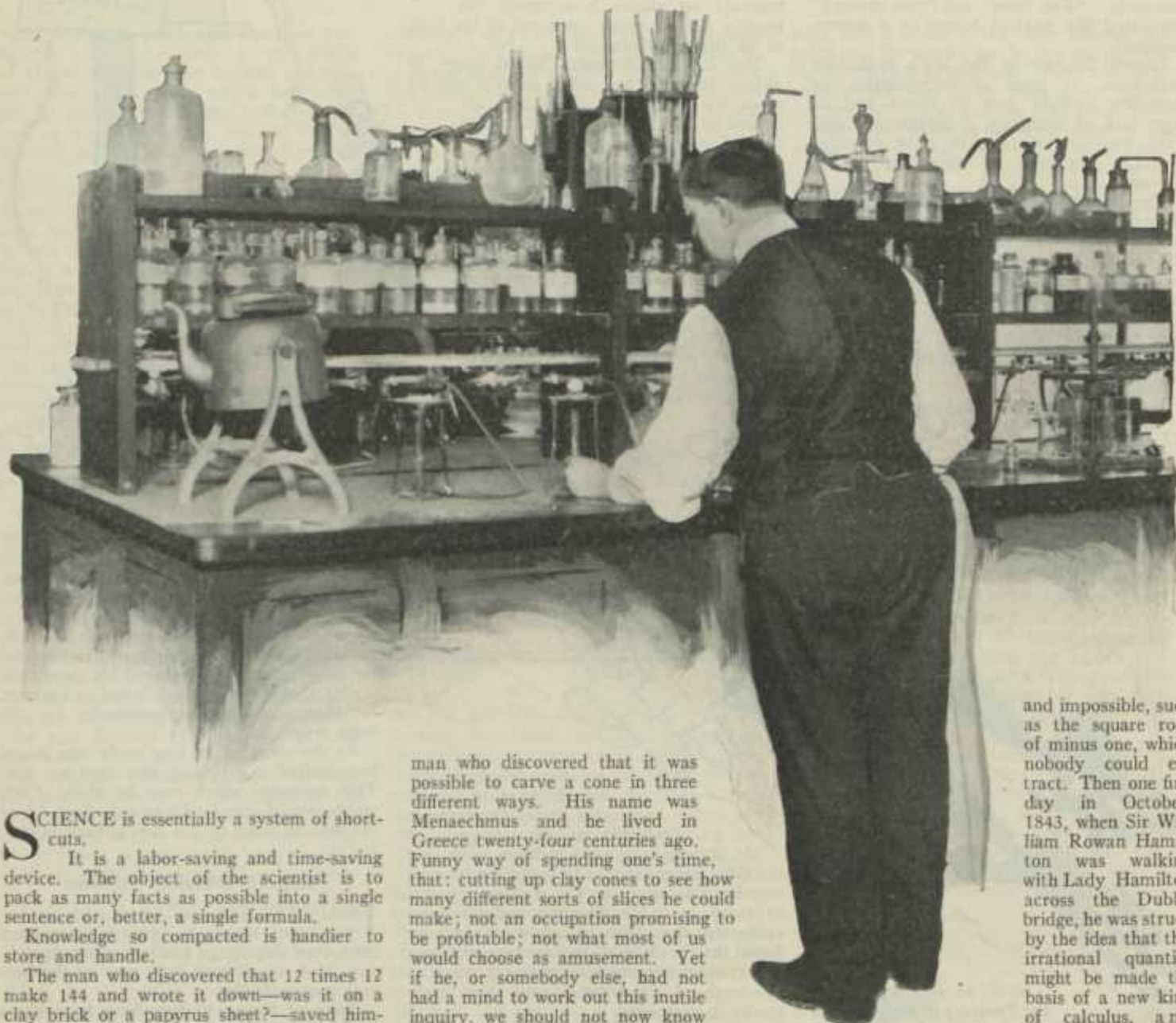
The proposed new law is the combined thought of representatives of every division of the executive branch of the Government. Each department and independent office has a member on the Board.

It will be passed, of course, and for the first time in more than 100 years, the government contractor will have a new deal.

Pure Science Pays Its Way

By EDWIN E. SLOSSON

Author of Creative Chemistry, etc.



SCIENCE is essentially a system of short-cuts.

It is a labor-saving and time-saving device. The object of the scientist is to pack as many facts as possible into a single sentence or, better, a single formula.

Knowledge so compacted is handier to store and handle.

The man who discovered that 12 times 12 make 144 and wrote it down—was it on a clay brick or a papyrus sheet?—saved himself and all his successors from that unknown date to today the trouble of adding up a column of twelve 12's.

Data Useful as Means to End

THE multiplication table is hard to learn but it is easier to learn it once for a lifetime than to get along without it all life long. The multiplication table in itself is altogether useless and quite uninteresting, but by means of it many useful and interesting things have been found out.

Money invested in scientific research of any sort is sure to prove a profitable investment in the end, though nobody can tell in advance when, to whom or in what coin the dividends will be paid. The man who invented the multiplication table never got a cent for it, and he lived so long ago that we don't know his name but his achievement is paying daily dividends to all of us.

We do know the name—or, if we don't, we can find it in the encyclopedia—of the

man who discovered that it was possible to carve a cone in three different ways. His name was Menaechmus and he lived in Greece twenty-four centuries ago. Funny way of spending one's time, that: cutting up clay cones to see how many different sorts of slices he could make; not an occupation promising to be profitable; not what most of us would choose as amusement. Yet if he, or somebody else, had not had a mind to work out this inutile inquiry, we should not now know how to lay out our railroad tracks or to construct the engines to run on them.

Mathematicians seem to be possessed with the curious craving for puzzling their brains over problems that have no sense in them. (I am using the word "sense" of course in its ordinary American meaning, the same as if spelled "cents"). Like Alexander they sigh for other worlds to conquer and unlike Alexander they are not satisfied with sighing but go ahead and invent new worlds to conquer, imaginary worlds where the old arithmetic and geometry, that they have worked out with so much trouble, will not apply. They are like checker players, who, getting tired of the conventional game, reverse the rules and play "give away."

Fanciful Pursuit of Numbers

FOR MORE than two thousand years mathematicians amused themselves off and on by playing with imaginary numbers, symbols that by their definition were absurd

and impossible, such as the square root of minus one, which nobody could extract. Then one fine day in October, 1843, when Sir William Rowan Hamilton was walking across the Dublin bridge, he was struck by the idea that this irrational quantity might be made the basis of a new kind of calculus, and nowadays our elec-

tricians would hardly know how to get along without it. One of the most fantastic of these dreams, or mental amusements, of the mathematicians, used to be turning Euclid upside down, contradicting his axioms and working out the laws of geometry on the absurd assumption that space had four dimensions instead of three, though even the most imaginative of the mathematicians could not conceive of a place where he could hitch on a fourth dimension if he had it.

No Use for Knowledge Seen

FOR a long time they had this imaginary universe all to themselves to play with, for nobody could see any use for it, not even themselves. But along comes Einstein and uses the fourth dimension as sort of lever to upset Newton with. So far this new notion of relativity has not done much but disturb the astronomers, but it seems likely to prove of practical importance to

the chemists when it comes to be applied to the solar system inside the atom.

So the mathematicians have had to give up their ancient boast, that their science in its higher aspects was purely an intellectual diversion and could not be put to any base mercenary uses. There is hardly a theorem in their textbooks which has not already been applied to some practical purpose, and just as soon as a mathematician in the seclusion of his study writes down a new formula, the paper is snatched from him by the hand of some mechanic who carries it off to his shop and sets it to work.

Mathematics is a good example of the practical value of scientific research because it is purely abstract and has been pursued through all the ages almost exclusively without any utilitarian motive. But any of the other sciences could provide illustrations of the same general truth that a profitable discovery, like happiness, is most likely to come to those who do not seek it directly.

of this solar gas in certain radium ores. But still no one could imagine that this rare and inert gas would ever be of use. Twenty-two years passed. Then came the war and a Kansas chemist reported that certain gas wells were giving off appreciable amounts of helium. At once work began on collecting enough to fill a balloon which would be safer than the Zeppelins since helium is not inflammable like hydrogen. The war was fortunately won before our helium-filled dirigibles got into action, otherwise this undreamed-of by-product of research might have been the deciding factor of the world's destiny.

Radio Perfected in America

RADIO is an American specialty. No other nation is making so much use of the ether. But radio is not primarily a native product. It originated in the mathematical studies of an English physicist, Clark Maxwell, who in 1864 fig-

ured out that there might be electric waves longer than those of light. But such waves remained unknown except in theory until 1888 when a German physicist, Hertz, found out how to detect them. But they remained useless until 1897 when an Italian physicist, Marconi, made a wireless telegraph out of them.

Since these waves had been brought within practicality, American inventors took a hand and radio telephony was perfected.

We Americans are not always conspicuous on the kick-off but we usually beat the world at keeping the ball going once it is put into play.

There are more American names on the list of the world's great inventors than of discoverers of the principles on which these inventions are based.

We can get some idea of the relative rank of various countries in regard to their recent achievements in scientific research from the Nobel Foundation.

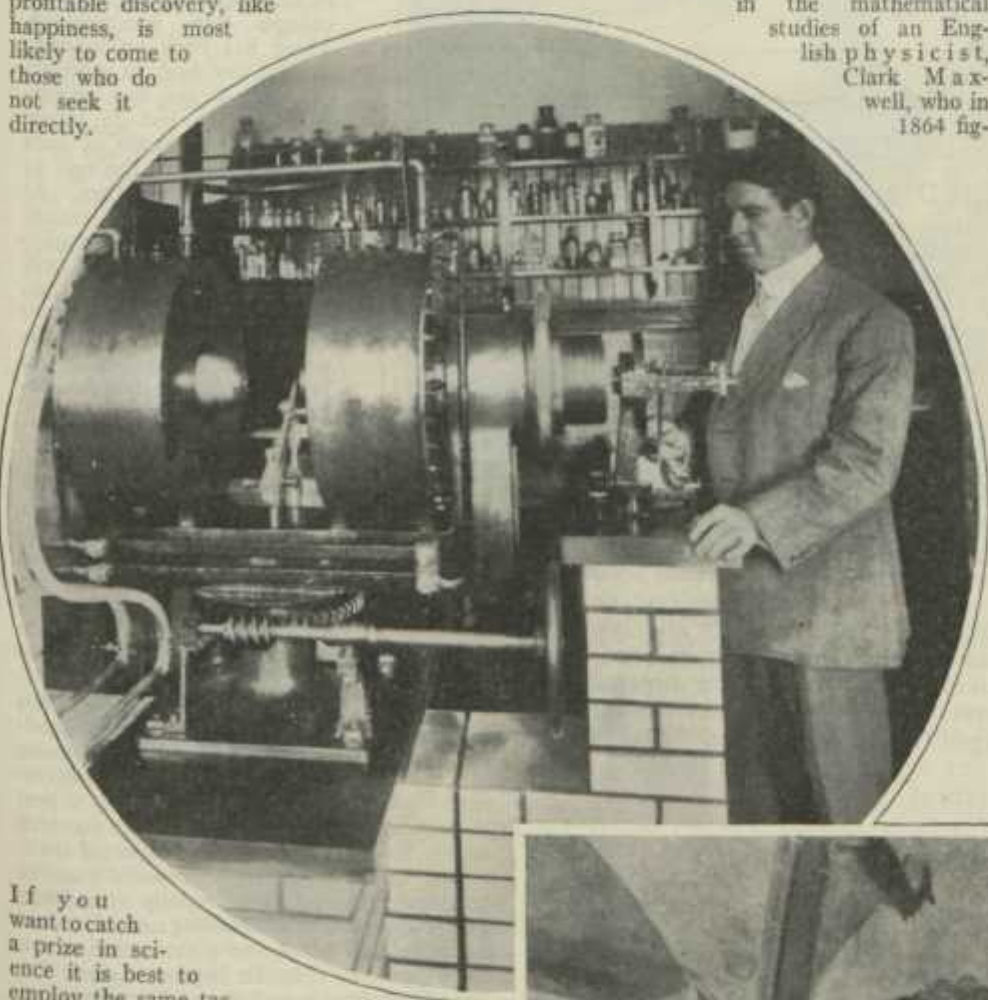
Alfred Nobel, inventor of dynamite, left his fortune for the establishment of a system of annual prizes, of which three were to be given to the men who made during the preceding year the greatest contribution to physics, chemistry and physiology or medicine.

Since 1900 seventy-two persons have been so rewarded by the decision of the Swedish Academy of Sciences and the Medical Institute.

Germany Leads Honor Roll

GERMANY stands at the head of the Nobel roll of honor with twenty-one prize men. The United Kingdom follows second with eleven. France is third with ten; Netherlands comes next with six. The United States and Sweden are paired with four each; followed by Denmark and Switzerland three each; and Austria, Canada,

The alchemist, whose laboratory is here shown as reproduced in a Berlin museum in contrast with a modern experimental laboratory, was an applied scientist. He sought frankly for the formula that would transmute base metals into gold and for the Elixir of Life. Modern science holds that pure science is the pioneer of applied science and its utilitarian by-products.



If you want to catch a prize in science it is best to employ the same tactics as when you try to catch a squirrel or a sparrow in the park, pretend to be looking another way. Then it will light right in your lap.

What, for instance, could be more remote from any conceivable practical application than an attempt to ascertain the chemical composition of the sun? Yet certain men thought it worth while to labor at this self-selected task, though even they could not surmise what difference it would make to anybody on earth if they found out what they sought to know.

How Helium Was Discovered

DURING the eclipse of 1868 a strange yellow line was observed in the spectrum of the sun. Sir Norman Lockyer surmised it might be due to some chemical element unknown on earth, and so he named it "helium." Twenty-seven years passed. Then Sir William Ramsay discovered traces



Italy and Russia two each; and Belgium and Spain with one. No scientist worthy of a Nobel prize has been found in the four continents outside Europe and North America.

If we take population into consideration the disparity between various countries in regard to research is still more striking. Dividing the population of each country by the number of its prizewinners, we get a figure that might be called "the national index of scientific research," that is, the number of men out of a million people who have become distinguished in these three sciences.

We find then that the Dutch, the Danes and the Swiss have won a Nobel prize for every million of their people, and the Swedes follow close with one for a million and a half. Next come Germany and Austria with about three million per prizeman. Then follow France and England with four million. Belgium has one prize for her seven million; Spain and Italy one for twenty. Then comes a drop to the United States with one prize man for twenty-eight million of her population. There then remains Russia to bring up the rear with one eminent scientist for each sixty-six million. The other 1,250 millions of the world population contributed not one to the Nobel roll of honor.

The American citizens who have received Nobel prizes in science are T. W. Richards of Harvard, in chemistry, A. A. Michelson of Chicago, in physics, R. A. Millikan of California Institute of Technology, in physics, and Alexis Carrel of the Rockefeller Institute, in medicine. Of these two were born in Europe, Michelson in Germany and Carrel in France.

Discovery of Elements

THERE is another check on this comparative estimate of national achievement in chemical research which has the advantage of being absolutely objective and not dependent upon opinion. It is the discovery of the elements. This is a difficult and delicate form of research, offering no fortune and not much fame.

The periodic law of the arrangement of the chemical elements provides 92 pigeon holes and all but two are now filled. The announcement from the University of Illinois that an element has been discovered there and named "Illinium," comes in the nick of time, for otherwise I should have had to admit that not one of the elements had been discovered by an American. As it is America can claim one of the ninety.

But it is not fair to count the elements discovered before America was discovered, or before the United States was sufficiently developed so as to engage in scientific research. But 1894 can be considered a fair starting point for such a comparison since by that date we had more universities than any other country, some as good as any in the world, and many chemical laboratories. Since that date, a period of about thirty years, seventeen chemical elements have been discovered, of which one can be claimed as American. Of the others, seven are credited to Great Britain, four to France, two to Germany, and one each to Denmark, Austria

and Czecho-Slovakia. Obviously the United States has not kept up in this field of recent chemical research.

In other sciences than those that figure in the list of chemical elements and Nobel prizes, America would make a better showing. Professor J. McKeen Cattell, who, as editor of *Science* and *The Scientific Monthly*, is in a situation to watch the progress of science, has recently given as his conclusion that in research the United States leads the world in biology, geology and astronomy, is outclassed by Great Britain and Germany in physics, chemistry and physiology, and stands about even in mathematics and medicine.

But taking science as a whole we are forced to the conclusion that the United States does not stand as high in research as its population, wealth, educational facilities and intellectual vigor would warrant.

Face Powder—or Pure Science?

BY HERBERT HOOVER

COMPARED with other expenditures of far less importance to human welfare, the amount of money annually devoted in the United States to the aid of investigators and investigation of pure science is absurdly small. It is less than one-tenth what we spend for cosmetics.

We have, indeed, some fine foundations for pure scientific research. But the whole of the income available from these sources certainly does not exceed \$10,000,000 a year—whereas we probably expend today \$200,000,000 a year upon applied science research.

While we have in recent years developed our industrial research upon a scale unparalleled in history, we have by no means kept pace in the development of pure science. We have an increase in some ten years from 100 to over 500 laboratories engaged upon search for applications for known fact and law.

These results have been magnificent. But all these applied science laboratories are dependent upon the raw material which flows from the laboratories and men engaged in pure science. And the industrial investigators are the first to demand more support to pure science.

Compare for instance our standing in the field of research, as measured by such comparative figures as I have given or any other, with our standing in the field of athletics. In the last Olympic games, where forty-five nations were represented by 1,430 athletes, the official point score gave the United States 94; France 64; Sweden 44½; Great Britain 41½; Finland 34.

Americans Not Deficient

DOES this mean that Americans are superior in physique but deficient in mentality? Not at all. It merely means that American universities do not go in for research as they do for athletics. If they had spent as much money on laboratories as they have on stadiums, and as much on research as they do on sports, America would be as conspicuous for brains as she is now for brawn in the eyes of the world.

The intellectual achievements of Germany have largely been due to the fact that the German universities have regarded the advancement of knowledge as their primary purpose. The intellectual achievements of England have been largely due to

the fact that so many of her leisure class have devoted themselves to scholarly researches. But in the United States even our leading universities did not begin to cultivate research as one of their chief duties until about thirty years ago, and it is rare for our leading politicians or men of wealth to give their leisure to scientific investigation.

Just now we are at a critical point in the intellectual history of America. Great universities have been developed and provided with magnificent buildings through public taxation and the generosity of philanthropists. Libraries and laboratories abound. Certain foresighted industrial concerns maintain large laboratories for the improvement of their own processes and products. This expenditure has benefited both their stockholders and their public.

In spite of the unprecedented expansion in buildings and faculty, the colleges are overcrowded. There has been an increase of 400 per cent in students of our colleges and universities in the last 35 years. We have now more of such students than all the rest of the world put together. As a consequence of this expansion in numbers and equipment professors often have less time for research than formerly. So even those rare individuals who have the disposition and the ability to become research men are deprived of opportunity.

The Obvious Remedy

THE OBVIOUS remedy for all this is to establish funds for the specific promotion of scientific research and to seek out the man of exceptional talents and disposition and give him a chance to solve the particular problem that entices him.

This step has now been taken by the National Academy of Sciences which, being composed of the leading investigators in various fields, is best qualified to promote research on a wide and impartial scale.

It has set up a special board of trustees composed about equally of eminent public men and of outstanding men of science to collect and administer a national fund for the support of research in pure science. The list of members is as follows: Herbert Hoover, Chairman of Board, Elihu Root, Andrew W. Mellon, Charles E. Hughes, Edward M. House, John W. Davis, Julius Rosenwald, Owen D. Young, Henry M. Robinson, Felix Warburg, Henry S. Pritchett, Cameron Forbes, Albert A. Michelson, John C. Merriam, Robert A. Millikan, Gano Dunn, Vernon Kellogg, William H. Welch, Thomas H. Morgan, John J. Carty, Simon Flexner, Oswald Veblen, James H. Breasted, Lewis R. Jones, Arthur B. Lamb, and George E. Hale.

The plan does not propose to withdraw investigators from the universities of the country and collect them in one central institution where they shall be exclusively occupied with research, but rather to aid proved investigators wherever they may be by providing them with needed apparatus or assistance or relieving them from the burdens of teaching and administration. Such a fund, so administered, would stimulate the spirit of research in every part of our land.

What Is Business Without a Buyer?

By WILLIAM T. FOSTER and WADDILL CATCHINGS

WHAT is business without a buyer?

"There ain't no such thing," says Sam Witham, and Sam ought to know, for he has kept the corner store at Sandwich Center, going on thirty years.

Take Sam's own case, for example. There he sits on the bench in the middle of his general emporium, warming his feet at the air-tight stove, and his imagination at the yarns of the village loungers. There he sits by the hour, discussing the question whether there are more crows around this spring than usual.

In due course, the patriarch of the Solons clears his throat and brings the discussion to an end. "Seems like it's this way," says he. "There ain't so many crows as usual, but they're larger and more numerous."

"Well," observes Sam, "crows may be more numerous, but customers ain't. If I could only sell a few crowbars, I wouldn't care how many crows there were."

Nobody Will Buy

BUT nobody comes in to buy crowbars or anything else. So the stocks repose on the shelves and Sam on the bench, collecting dust. All around him are hoes as well as crowbars; shoes and socks, and other goods in great array, all waiting for customers who do not come. Sam is right: "There ain't no such thing as business without buyers."

Wherefore a lot of traveling salesmen are laid off. No use sending them around to talk to Sam about ordering more goods, until buyers take away the goods he has on hand.

Wherefore wholesale clothiers and hardware dealers and shoe dealers and the rest postpone ordering. They do not dare to buy, until there is some prospect that retailers will buy.

Wherefore shoe-makers and clothing-makers and tool-makers curtail output and throw men out of work. They have no inducement to make more goods, when they cannot sell the goods they have made; no inducement, consequently, to buy more leather and woolen goods and iron.

Wherefore some of the tanneries and mills and foundries shut down.

So it is everywhere, all the way from mansion to the mine, from the restaurant to the ranch, from the filling station to the oil field, in every nook and corner of industry and finance. There is scarcely anybody who dares to go ahead with his part of the world's work. All because there are not enough customers in Sam's store, and in Bill's store, and in stores generally.

Business is waiting for a buyer. Its condition in general is pictured by a row of taxicab drivers waiting for a train to come in. They are all asleep, or may as well be.



© Cwing Galloway, M. E.

The very man who serves an industry is a consumer of its products. Industry must supply him, and its other consumers, with the wherewithal to buy, if that industry is to keep going. The American workman is no fool. He understands this.

Business, waiting for a buyer, is even more like a fire engine company waiting for a fire alarm. Take a look at the firemen. Some of them are reading the morning paper; some are playing checkers; some are tipped back against the wall, yawning.

Suddenly the fire bell rings. Every man is on his feet, instantly. There is work to be done.

In the business world, a buyer can ring the bell any time; and nobody else can ring it. You, for example, want to buy the services of a barber; so you step into a shop. At once, every idle barber jumps to his feet, alert, expectant. That little barber shop shows exactly what buyers mean to the whole industrial world.

Money Music Always Heard

ONCE buyers begin to flock into the shops and throw their money down on the counters, the clinking of the coins is heard around the world. The storekeepers hear the merry music first and broadcast it. Even Sandwich Center is heard from. For Sam Witham, who has left the debater's bench, and is now hurrying all day from counter to counter, remains long past supper-time to make out orders for new stocks; and there is never enough static in the air to prevent dealers from hearing his orders. Sam is no longer concerned about the number of crows around the village; he has birds of a different feather to count.

Sam personifies the world of business, brought to life by buyers, galvanized by the

current of consumers' money. For the jobbers no sooner hear from Sam and the other retailers than they send larger orders to the wholesalers. Then the wholesalers, not to be left behind, increase their orders to the manufacturers; and the manufacturers, to meet the new demand, take on more workers, and order more copper and cotton, more lumber and lathes, more tin and turbines, and no end of other materials and machines. All of which induces the miners to dig out more ore, the farmers to plant more cotton, the lumbermen to fell more trees, and so on.

One Sale Starts It

AND ALL of which is commonplace enough, and would not be repeated here, were it not that so few people see the significance of the fact that this whole elaborate and far-reaching sequence of activities is set in motion by the customer who comes into Sam Witham's store and buys a crowbar; and these activities cannot possibly be set in motion in any other way. When there are enough such customers, in enough stores, buying enough crowbars and enough other things, business is prosperous—always, inevitably—all the way from the retailer to

the rancher, *no matter what else happens.* And when there are not enough such customers, business as a whole is far from prosperous—always, inevitably—all the way from the retailer to the rancher, *no matter what else happens.*

Now there are sure to be enough such customers, as long as they receive enough money, for the wants of the people as a whole always grow faster than their incomes. The rate at which people spent their increased wages and dividends during the war is sufficient proof of that; though most of us need no other proof than our personal experience. In this day of highpowered automobiles and advertising, and cheap daily and weekly papers, and rural free delivery and radios, people have no difficulty in hearing about things they want to buy. Their only difficulty is in finding the money to spend.

Now, all their money, clearly enough, has to come from industry itself. Consumers have no other source of income. Everybody knows that there is a circuit flow of money from producer to consumer, and from consumer back to producer. Everybody knows, moreover, that this stream is not fed by providential cloudbursts. Nobody expects money to fall like manna from the skies. Either consumers get enough money from business men, as wages, dividends, interest, rent, and the rest, to keep business prosperous, or else consumers do not get the money at all. Consequently, if industry is to continue to sell its total finished product,



When the buyer ceases to be a consumer, industry's wheels stop, and unemployment fills the park benches

it must continue to turn over to consumers at least enough money to enable them to buy that product.

Now the chief trouble is that industry does no such thing.

Take your own case, for example. Do you plan to disburse, in the conduct of your business, as much money as you expect people to pay for your product? If so, you are not in business at all; you are in philanthropy. We assume, however, that you really are in business, and making a success of it. In that case, you receive from the sale of your output more money than you expend in producing it.

In other words, you do not put into the hands of consumers enough money to enable them to buy the goods you put into the markets.

Do you happen to know any one who does? In the entire wide range of those with whom you do business, can you think of anybody who makes it a practice to pay out as much money as he takes in? Doubtless, you have many acquaintances, men engaged in almost every conceivable line of business. Run over the list. Every one of them, as you know perfectly well, takes great precautions to keep his costs below his selling prices. Every one of them is, in fact, obliged to carry on business in this way. He has no choice. These men collectively, therefore, as long as they succeed in business, do not pay out to consumers enough money to provide buyers for their products.

Profits, the One Vital Factor

ALL OF which is merely a long-drawn-out way of saying that business is not prosperous unless it realizes profits; and it cannot realize profits unless it receives from consumers, in final sales prices, more money than it gives to consumers.

You already know that to be true of your own business. The fact that it is true of the industrial world as a whole will be clear from a simple illustration.

Suppose a company makes and distributes dollar watches at a total cost of eighty cents apiece, and sells them directly to consumers for one dollar. Thus it pays out, as wages and other costs, eighty cents,

and no more, in connection with every dollar watch it makes. On a given hundred watches, therefore, the cost is eighty dollars and the profit twenty dollars. By paying out only eighty dollars the company makes it possible for people to buy only eighty watches. If, however, the company disburses half its profits as dividends, it enables people to buy ten more watches, a total of ninety. As far as the operations of this company are concerned, there is, then, an "over-production" of ten watches; that is to say, ten watches more than people have money to pay for. If the people are able to buy those ten watches, it is only because some other concern has provided them with the extra ten dollars.

Keeping Money at Work

LET US now suppose that the company "ploughs its profits back into the business" by paying out as wages the undistributed profit of ten dollars, and that it thereby produces twelve more watches. The company has now provided consumers with enough money to cover the price of the original hundred watches; but it has given them nothing wherewith to buy the additional twelve watches. That money must be provided by other concerns, or the watches cannot be sold. Other concerns, however, cannot supply that deficiency without suffering losses. Ridiculously simple as this case may seem, it shows exactly what men do as long as they prosper.

Thus it is clear that if any man is to realize a profit, he must get it from money which some other man has paid to consumers; but if this other man pays out enough money to cover his own prices and the first man's profits, he is liable to fail in business, and thus have a part in throwing men out of work and bringing on hard times.

Clearly, then, as long as industry as a whole uses profits to increase output—and this is and ought to be the established policy—consumers cannot possibly get enough money, year in and year out, to buy the output, unless there is a fall in the price-level. A fall in the price-level, however, as every

business unhappy—profits, em—sales—in business end.

We must that insofar succeed in doing what they are constantly striving to do, and what prudent men ought to do—namely, to increase production out of profits—to precisely that extent they fail to provide the public with enough money to buy their products; fail, therefore, to provide Sam Witham and all the other retailers with enough customers to keep business prosperous.

Moreover, even if industry disbursed all its profits in dividends, there would still be a shortage of buyers, unless consumers spent all the money they received. But they do not spend all, for they must save.

It may be said, however, that—at least in the United States—very little currency is

man knows from perience, reduces ployment, wages, short, brings prosperity to an

conclude, then, as business men

conclude, then, as business men



hoarded. Even Sam Witham's customers do not tuck their savings away in old socks, but deposit them in Postal Savings Banks, or invest them in other ways. Thus, most of these savings flow back to consumers, that is true.

Most of the money which is thus invested, however, is first used to produce more goods, without in the process turning over to consumers enough money to buy these additional goods.

When Overproduction Enters

LET US illustrate that point in the simplest way. Let us assume a perfectly balanced condition of industry, with a fixed volume of output, and an even flow of money around the circuit from producer to consumer, and from consumer back to producer; therefore, an even flow of goods—no overproduction, no underconsumption. Now let us assume that somebody decides to save one dollar instead of buying a watch. Then clearly, that watch or its equivalent, must remain for the present unsold. Next, suppose that the thrifty individual invests the dollar in such a way that it is used (and thus paid out to consumers) to produce another watch. Consumers now have enough money to buy *either* the watch which remained unsold, *or* the watch has just been made by the use of savings; but they cannot buy *both* watches. To that extent there is "overproduction."

Now, if much money is saved and invested (and the increases in savings deposits for ten years past have averaged above a billion dollars a year, to say nothing of other forms of saving) the result, in due time,

elsewhere done our best to find them.

When this problem of too few buyers is presented to business men and economists, many of them say that there is no such problem, since the production of goods automatically creates buyers for the goods. Demand and supply, they explain, are merely different aspects of the same thing, and must therefore always be equal. Savings, they insist, cannot have much to do with deficient buying, since nearly all savings are invested; and money invested is money spent. In their view, the trouble is not insufficient income, but the fact that consumers refuse to spend their incomes or spend them in the wrong way.

Means for Great Production

NEVERTHELESS, every one of these business men—and every one else, for that matter—knows that the country has far larger capacity for production than it ever dares to use. Everybody knows, moreover, that much of this wasted capacity would be put to use promptly, if there were any prospect of enough buyers. Enough buyers there certainly would be if the financing of increased production out of savings or bank credit really did yield consumers, as it is supposed

full capacity, actually does turn out in years of prosperity far more finished goods in general than it is able to sell—not merely more of the stocks that Sam Witham carries, and not merely more cereals or tires or coats, but more goods in general. And everybody knows that, in consequence, industry is obliged every now and then to curtail operations, until in the course of a painful year or two or three, the surplus stocks are sold at a loss.

Many business men, having admitted all this—in fact, having bitterly complained of all this—blithely ignore the problem of too few buyers which we have here presented, on the assumption that no such problem exists.

The longer such men ignore the problem, the easier it becomes for rattlebrained radicals to gather recruits. And this in spite of the fact that the great body of wage-earners in the United States are not flighty, unreasonable, and responsive to the call of every wild-eyed fomenter of class hatred. On the contrary, they are reliable, thoughtful, and slow to anger.

When the leaders of industry and finance offer no convincing explanation of the periodic paralysis of business and no remedy, it is little wonder that even conservative

people give ear to the charge that the cause is "price-fixing trusts" or "the money monopoly," or "the sabotage of employers," and any other absurd theory. Such explanations of the problems of too few buyers, however vague and unsatisfactory, seem to some people more convincing than the complacent assertion that there is no such problem.

Buyers There Must Be

ENOUGH buyers to take away the current output of finished goods is a project upon which everybody can unite with enthusiasm, for it looks not only to the welfare of the people generally, but to the welfare of each and every class. It has nothing in common with the many schemes for bringing gains to one group at the expense of other groups. Various projects are urged to further the interests of special groups—farmers, railroad workers, importers, cotton manufacturers, stockholders, postal clerks, and so on; but here is a project which would promote the welfare of these groups, and all other groups. Indeed, if consumer buying were adequate, decade after decade, no considerable group of the population could possibly fail to gain some share of the resultant increased output, for most of it would have to be distributed as larger real wages and profits.

What is the way out? We must be content with setting forth the problem. Once the people

are convinced that the problem is a real one, there will be efforts to find a solution.

Enough buyers—that, then, is the one essential. There can be no progress in Sam Witham's business until sales are "larger and more numerous," and that cannot happen until individual incomes at Sandwich Center are larger and more numerous. What is true of Sam and Sam's village, moreover, is true of the entire country.



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may well be general overproduction; hence a shutting down of factories, reduction of wages, increased unemployment, and all the suffering which goes with business depression.

The gist of the matter is this; every dollar of wages or other individual income which is *saved* and *invested*, instead of *spent*, causes one dollar of deficiency in consumer buying, unless that deficiency is made up in some way.

Try as we will, we can see no escape from that conclusion; nor can we find any ways in which these shortages are permanently made up, though we have



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to do, enough money to buy the increased output.

Most people know, moreover, from sad experience, that the country, even without using its

NATION'S BUSINESS

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MERLE THORPE, Editor

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The Lesson to U. S.

A LITTLE over a year ago the British Parliament passed legislation guaranteeing a profit to the coal operators of Great Britain on the terms that the coal operators should pay a certain price to the coal miners. This was a straight government subsidy. When the British Government decided to withdraw that subsidy the greatest industrial crisis in history resulted.

With this glaring example before us a large proportion of the American Congress seriously considers a direct government subsidy to the American farmer. The experience of others seems to be of little use when political advantage lies in the balance.

Cowards or High-Minded Men?

SAID a mid-western Congressman to an editor of NATION'S BUSINESS:

"I believe the Haugen farm-relief bill is a bad bill. It seems to me economically unsound. It will not accomplish what its proponents desire. Yet I shall vote for it because an overwhelming majority of my constituents want it, and I believe it is my duty to carry out their wishes."

There's a problem as old as representative government itself. Our first constitutional convention had it in mind when it delegated to state legislatures the choosing of United States Senators, leaving one branch of the Congress less directly responsible to any group of voters.

It is difficult to question the duty of a legislator to be responsive to the wishes of his constituents even when those wishes seem to him to be unreasonable.

To talk of "timid Congressmen . . . coming to the support of these measures confessedly as a part of their own private struggle for political existence," as *The New York Times* does, is too sweeping. A man may honestly desire to do what his constituents expect without being accused of acting from selfish motives.

Good Repute and State Credit

RECENTLY the press carried a list of debts which were repudiated by some of our Southern States. These debts were called to public attention from one of the countries which had already funded its World War financial obligations to this country.

The vast majority of these state debts were contracted between 1870 and 1885 and were repudiated on the ground that they were contracted for by the Carpet Bag government in the post Civil War period and were not authorized by the people of the States in question.

Regardless of the justice of the reasons for repudiation it might be well for those who might consider it a justifiable precedent to investigate the results of the action by these Southern States.

For thirty years not a single Southern state could borrow money outside its own borders at anything like the going rate of interest. Industrial capital hesitated to go into projects in

the South. The result was economic, social and educational stagnation for a quarter of a century. The South paid a terrible price because it stood on a principle—for to them it was a principle. The experience of the Southern States may well be studied by those who favor non-payment of governmental obligations. Good repute is a factor in the credit of a state as well as of an individual.

Mr. Root on Organization

ELIHU ROOT told the American Law Institute meeting in the home of the United States Chamber of Commerce that if we can get the great body of those in one profession or industry "into an alignment in the same direction, so that the impulse of each individual would be in the same direction as the impulse of every other individual," then we should have these impulses not merely added up but multiplied each by the other.

The sound gospel of organization! Forty men working separately are just forty men. Forty men working as a unit in one organization are forty times forty.

Mr. Root, whose four-score years have brought high honors and wide experience, was preaching organization to lawyers in these words:

That is the way in which this modern, complicated life is capable of being dealt with; and the only way—organization. It is a combination of individual powers directed toward a common object—that is what makes industry. That is what has put labor in possession of the independent manhood that it has today—organization. Even in the pure sciences, even in fundamental scientific research, the best thought of the scientific world has come to understand that further reaches may be accomplished by the organization of the highest type of scientific intellect, that one with another may seek the same object and multiply their powers thereby.

Business, too, is learning that lesson. It's as true today as it ever was that "In union there is strength."

In They Came—Out They Go

WHEN the vision of an electrified America was young, the impulse to have one's own city build its own plant swept many American minds.

And up went the plants in nearly 2,200 cities. Then the inevitable happened. Men who got their jobs from politics studied politics, not electricity.

The private companies, that had to know electricity or perish, studied coal and kilowatts.

When it came to a question of adding new bonds to old bonds, to junk old and obsolete plants, municipal voters balked and private power systems got contracts to hook up their lines. Thus perished 713 municipal plants between 1922 and 1925, while a survey just completed by the National Electric Light Association shows the demise of 269 more municipal plants in 1925. As a contributing cause, graft was found to figure in almost no case.

The advance of the art, as driven forward by engineering and laboratory forces, and the fundamental difference in spirit between an employe hired and kept, by his interest in electricity, and an employe hired and fired according to his usefulness in politics, accounted for nearly all the failures.

Don't Discharge a Good Servant

THE first session of the 69th Congress could leave no better legacy to American business than the passage of the McFadden Bill with the Senate Committee Amendment extending the life of the Federal Reserve System.

Business—and we mean all business, big business, medium-sized business and little business, farming business, manufacturing business and selling business—flourishes best when it knows what to expect, when it sees clearly the road before it.

"A good servant of the whole people" is the way James Simpson, president of Marshall Field & Company, described

the Federal Reserve System in our May issue. There is nothing that business needs more than the assurance that the good servant will be kept on the job.

Test Tubes and Readers

A CHEMIST whose name we do not know and to whom we apologize for the omission, coined a fine business epigram: "Make your mistakes in the test tube, and you'll make your profits in the vats."

How often the editors of this magazine have wished that they had a test-tube reader, some individual who was the essence and type of all our 220,000 business readers. To him we should submit all our articles and our illustrations. If his attention wavered, back would go the article no matter how illustrious the author nor how important the subject seemed.

We all try to edit for that mythical reader, and we are grateful when a real reader writes to say that he enjoyed or disliked an article. Straws, perhaps, but we try to gauge the wind by them.

However, there's another side. St. Loe Strachey, long the editor of the *Spectator*, said he had but one rule. He never printed anything in which he, himself, was not interested. Then he was certain that each article had one appreciative reader.

Paying Industry's Debt to Science

THE INTERNATIONAL Chamber of Commerce is struggling with a peculiar problem. It wants answers to these questions:

What is a scientist? What is a discovery?

Should scientists be paid for their discoveries by persons who make use of them?

If the Einstein theory of relativity should prove true and should contain certain principles that would revolutionize machinery, should Einstein draw royalties as well as the man who adapted the principle to the machine?

It is difficult to conceive the task the American Telephone and Telegraph Company or the Western Electric Company would face if either should undertake to trace back to the great name in the history of electricity the discoveries on which the telephone and the dynamo and the electric light depend.

Man and His Goods

A HARTFORD laundry has among its clientele a man who sends his collars in but once a year. When he sends 'em, he sends 'em all. His last list contained this item: collars, 378. The laundry says that he has done this for the past three years.

The system has its advantages. The worry over service would be removed. If one became a little soiled while wrestling with a recalcitrant collar button, there would always be another. Simply looking at almost four hundred of his own collars must give a man a pride of possession.

Perhaps we'd all have a livelier sense of our importance in this world of manufacturing and distribution if we saw all at once a year's supply of what we consume.

Many men have had the sensation of seeing a month's output of news piled up on their front steps upon returning from a vacation, and thinking then that the circulation department

should have been notified. A formidable array of milk bottles, standing like sentinels, is also a not unknown sight to some of our best citizens who have rushed off to the mountains without telling the dairy about it.

A year's supply of the "average smoker's" tobacco would very likely be a surprising sight to the smoker himself. And how odd it would be to see a row of eggs, two for every day in the year. We might go further, and suggest a picture of worn shoes, neatly arranged in a long row—shoes of a lifetime, and what a story they would tell!

Rebabbitting

WE NEVER give up hoping to convert Henry L. Mencken, of the *American Mercury*, to Babbittry. When we welcomed to our columns Frank R. Kent, a colleague of Mr. Mencken, on the *Baltimore Sun*, we told Mr. Mencken of the heights to which Mr. Kent had flown.

Mr. Mencken replied:

You will civilize Kent yet. I remember him in his earliest days, when he yet wondered what a fork was for. His rapid mastery of English remains a marvel.

We shall civilize Mencken yet. Our efforts remind us of a window sign we noted the other day:

"Rebabbitting done here."

We'll not be content until we have rebabbitted Mr. Mencken.

Will It Come to This?



COURTESY N. Y. AMERICAN

Everyman and His Bank

II—The Young Firm Undertakes to Get a Loan and Finds Out a Few Things about Credit

By DALE GRAHAM

Illustrations by Emmett Watson



"LUCIFER SMITH—President."

The chief executive of the newly incorporated Climax Printing Company gazed proudly at the title as he sat in the outer office of Vernon Martin, senior vice-president of the First National Bank. The magic words were scrawled in Lucifer's own handwriting on the top line of one of the bank's signature cards.

"Three weeks ago," he mused happily, "I was working for another fellow. Chasing around town, peddling printing. Now I'm head of the business and working for myself. It is a great, grand and glorious feeling. I'll show these other printers some stuff. I'll make 'em think a cyclone has hit town—and they'll wish it was a cyclone when they find out what's really happened."

Experience Brings Humility

IF Lucifer Smith's vest felt too small for his chest now, it was a natural reaction from some of the things he had gone through in swinging the deal for buying out the company. He knew printing—knew it backwards and forward and both ways from the middle. He could tell you the brand and value of paper stock by hearing a sheet of it rattle in the dark. But he did not know banking and finance. And there had been times during those last weeks when both his vest and his hat band had felt too large for him.

Lucifer's body was tired and relaxed in the bank's heavy leather chair, but his brain refused to rest. The events of the preceding

weeks paraded insistently before his mind's eye. The opportunity to buy old man Fuller's plant; Lucifer's lack of money to finance the project; the interview with the local capitalist, George Judson; his wrath when Judson asked share in the business for the money advanced; the conference with Banker Martin, during which Lucifer learned that banks do not make loans to set people up in business and became convinced that Judson was fair in his demand for a share in the concern; the purchase of the Climax Printing Company with Judson's financing; the incorporation; finally, Lucifer's election as president, treasurer and general manager.

The Banker Starts to Talk

THE banker's sudden appearance put the retrospection to rout.

"Well, Mr. Martin," began Lucifer as they went into the office, "the advice you gave me a few weeks ago proved good. George Judson and I bought out the Climax plant."

The vice-president was at the moment diving into the lower drawer of his desk after cigars.

"Yes, George was telling me about the deal yesterday." They lit up the cigars.

"I bought my car from Burns because he gives me most of his printing"

"And I have decided to bring the firm account to your bank," Lucifer continued as he exhaled a mouthful of expensive Cuban tobacco smoke, "largely because you took the trouble to set me right on this finance business."

"That's fine!" smiled the little banker. "We are mighty glad to have it, you may be sure. If this is to be your firm's main account, I suppose you will want credit accommodations from time to time?"

"Just what I came to see you about, Mr. Martin. We will want to borrow up to, say, twenty thousand dollars at various times."

"You mean a twenty thousand line of credit? Quite O. K. George Judson will endorse the paper, of course?"

Who Should Endorse Notes?

LUCIFER SMITH'S backbone stiffened. "George Judson endorse the notes? Why should he? He is vice-president of the company. Isn't that enough?"

"Well, Mr. Judson being vice-president of the corporation wouldn't make him personally liable for the company's debts. For that matter, you wouldn't be liable either if you sign the note as president—but that's off the subject, just a point in law. Is there any objection to George Judson's endorsing the company notes?"

"Only this—I haven't asked him and I don't like to. I want to arrange credit for the corporation. That's my job. I thought I could do it here. If I can't, I suppose I'd better try elsewhere." He pointed his cigar at a dangerous angle and started to rise.

The banker was accustomed to dealing with irascibility. It had long since ceased to excite him.

"Whoa—whoa! Hold on, Lucifer. You don't mind if I call you Lucifer, do you?"

"No, no, not at all," Lucifer grinned.

Who does not feel a little flattered when a banker calls him by his first name? The printer's cigar dropped to a milder elevation.

"Well, then, let's not get into any misunderstanding. I was simply trying to save you trouble by suggesting that George Judson endorse the company notes. That would take away all question about the loan, for George's endorsement is good for 'most anything around this town.

Loans Based on Statement

OF COURSE the First National can make the Climax Printing Company a loan in its corporate capacity, without any endorsements, but there are certain requirements that must be met first. As I said a little while ago, neither you, nor George Judson, nor anybody else would be personally liable on the corporation's note, and for that reason our directors, the bank examiners, the Federal Reserve—well, for that matter, the whole push—would insist that the corporation's loan be based on a good financial statement."

"Do you mean to imply that because George Judson and I wouldn't be legally liable, we wouldn't stand behind the obligation?"

Having no flag of truce, the banker waved his hand.

"Oh, no, not at all. Many corporation officers feel a moral obligation, of course. We don't make loans to corporations at all unless we have a high regard for the character of the officers. I was just saying that it is the rule of all well-managed banks to require financial statements, properly audited, before granting lines of credit to

corporations. Now maybe you have one; but since you have just incorporated what was a personally owned enterprise, I'd bet you have not."

Lucifer Smith was reassured by the banker's evident sincerity. In a more friendly tone he said:

"No, we haven't a statement prepared. Guess we can get one, though I have no more idea than a rabbit where to commence. I am a salesman, not an accountant."

"Naturally," Martin admitted. "Even if you were an expert bookkeeper you should employ a firm of public accountants to go through your place from the basement to the flagpole and make a thorough examination. They should list all the assets taken over from the former owner of the plant, and classify them as 'quick' or 'fixed'—that is, the things that can be turned into money quickly and those that can't. For instance, you have numerous accounts on your books. Some of these probably are slow, and a few of them may be bad. They should be investigated carefully and reported on by the auditors. Then you doubtless have paper and other supplies on hand. These inventories should be checked and the materials priced at bed-rock figures."

"The auditors should make a schedule of liabilities on the same basis—those debts that are due immediately or within a short time, and those that don't have to be paid for several years—bonds or mortgages, for instance."

"The accountants should also go over the books of the old concern and make up a statement of the volume of business done, the gross income and net profits, so we can

see whether it has been doing as much business as it should on the amount of money invested and in proportion to inventories. Then—"

"Holy smoke!" Lucifer Smith broke in. "Is there anything else I ought to know about my business?"

"Yes," said the banker, "a thousand and one things. But you sick a good firm of accountants on the job. Their men will sniff out the weak spots and get all the information you and the banks need."

"The point is this—every corporation, no matter how small or how successful, should issue an audited statement at least once each year. With this, the banks can size up the situation intelligently and very often can offer valuable suggestions as well as credit."

When Banks Stick Together

THOUGHTFULLY, Lucifer flicked the ash from his cigar. Luckily he missed the waste basket.

"Well, I guess I'd better do that," he agreed. "It will cost some money, but I'd probably need it at any bank."

"Yes," said the little vice-president, "we banks stick together on those things. But how much money do you need now? Any?"

"Not very much; a few thousand dollars to discount our paper bills."

"Don't you think George Judson would be willing to endorse the company notes until we get your statement and pass on your line of credit?"

"Oh, sure. Make out a note for five thousand, and I'll take it over to him. You can just credit the amount to our account. And,



"An expert accountant should go through the place, and list all assets, as a basis for a statement"

by the way, here are some checks for our first deposit. I want to get it fixed up so I can begin writing checks."

The banker grinned as he pressed a button on his glass-topped desk.

"That's a bad habit," he observed, "but we are all slaves to it. Here, boy, take Mr. Smith's deposit over to Mr. Bruce."

Bank Balance and Credit

LUCIFER started to rise, but was motioned back to his chair.

"Just keep your seat, Mr. Smith. There is no use of our personally supervising the opening of this account. The boy and Mr. Bruce will attend to it. While we are waiting, however, I might explain the requirements generally made of borrowing customers."

"Shoot," said the new depositor.

"Good business and the proper guarding of deposits impose certain conditions."

"I think I have a pretty good idea; you want your money back. Yes, I went on a fellow's note one time 'just as an accommodation,' and had to pay it. I'm quite familiar with that little requirement all right."

"Yes, that's one of our requirements. However, I was not referring to the loan itself, but to the account—to the balance we shall ask you to keep."

"Oh, you are going to require me to keep a balance. Well, I'll do it. I never did overdraw much, even on my personal account. The corporation will have more money, I hope."

"Still you are a little beside the point, Mr. Smith. What I want to explain is that banks ordinarily require 20 per cent balance against line of credit. For example, if on your statement we think you are entitled to a twenty-thousand-dollar line of credit

and grant it to you, we should ask you to maintain at least a four-thousand-dollar average in your account."

"Why, the nerve of a bank. It collects good 6 per cent interest from a customer on his loan. Then it turns around and asks that customer to keep a fifth of the money lying idle in a checking account. Why, it's just a slick way of side-stepping the usury law!"

The banker got a little red in the face. He managed to say evenly:

"It looks as though one of us is determined to start a big argument. I'm sure it's not I. And I know you blow up that way because you don't understand fully."

"No, I don't want to start any argument, Mr. Martin. But I certainly wish you'd explain what right a bank has to ask its customers to borrow five thousand dollars in order to get four."

"Well, that's a very plain way of stating it. Perhaps it is a little too severe."

"There is a reason for requesting this balance. You know a line of credit is a sort of obligation the bank assumes—an obligation to lend a man or firm money whenever he wants it. Thus, when you have a twenty-thousand-dollar line of credit, you can come in any day and push your note through the window and get whatever amount you want, as long as your total borrowings stay within the line."

"Now, very often you won't use all of your credit, and the bank only charges you interest on the actual amount you borrow. Yet it must hold itself in readiness to let you have the remainder, without notice, whenever you want it. Don't you see, then, that though you might be borrowing only ten thousand dollars the bank must keep another ten thousand available in cash, or with bank correspondents, or in quickly con-

vertible securities?" The banker had been talking slowly, but suddenly swung around in his chair.

"By the way, Mr. Smith, where did you buy your last automobile?"

"Why—why, at the Burns Motor Company. But what has that to do with the question?"

"Well, I just wondered. Now, how did you happen to buy it from Burns?"

"I don't know. More than anything else, I guess, because Mr. Burns gives me most of his printing."

The vice-president seemed highly satisfied with the reply.

"I see. You give your automobile business to the man who gives you his printing business."

"Well, I try to reciprocate, Mr. Martin. I think it's the fair thing to do."

Reciprocity in Business

NOW the bank favors its depositors first. We agreed that such a policy was perfectly fair. So isn't it fair for the bank to ask a firm to whom it grants a line of credit—say, twenty thousand—to become a depositing customer and maintain a respectable balance? Banks can't do a one-way business—they don't live on borrowers alone. Doesn't that seem right?"

"Well, I guess it does, though I hadn't looked at it that way before. I'll be darned if this finance business doesn't get more complicated all the time. I'm just beginning to see a little light. I'm glad you explained these things to me, for I want to start the firm's banking relations right. You know, someone said, 'A stitch in time—'"

"Is worth two in the bush," supplied the little banker as he waved a good-bye and stepped over to greet his next caller.

A Village Made of Wine Casks

FORTY-ONE miles west of Cleveland, Ohio, a village is springing up the like of which this country has never seen.

After seven years of prohibition, the wine corporation owning a number of huge casks finally became convinced that wine as a beverage is a thing of the past, and concluded, therefore, to sell all its casks. A gentleman of Vermillion, Ohio, bought thirty-six of the casks at a song, and now has most of them altered for summer cottages for tourists and others. He has lived in one of them the past winter and says no house could be more comfortable.

Each of these casks or "vats" holds 6,000 gallons of wine—or did hold it! Each one weighs 7,800 pounds, circumference 14 feet, 6 inches. When

these casks were sent from the factory twenty-one years ago they cost \$1,200; today the same casks would cost \$2,500. They are made of solid oak, the staves being two to three inches thick.

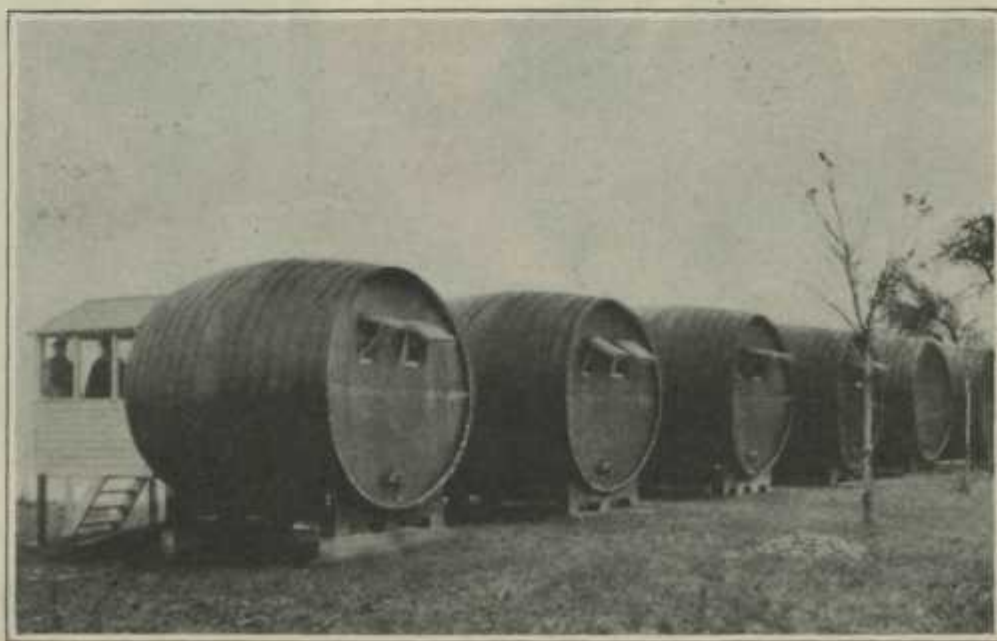
These cask houses are mounted on con-

crete foundations and placed in rows the same as cottages. There are two windows in the back end and a window and door in the front end. A screened-in porch is built across the front. A bathroom will be fitted up on the grounds. The only paint on the

casks is at the end of the chimes, door and window openings to prevent air checks in the white oak. All other parts are covered with linseed oil to preserve the casks from the weather.

Each cask has an electric stove, ice-box, sink, electric light, screens, shades, and awnings, making a cosy and complete home in a wine cask.

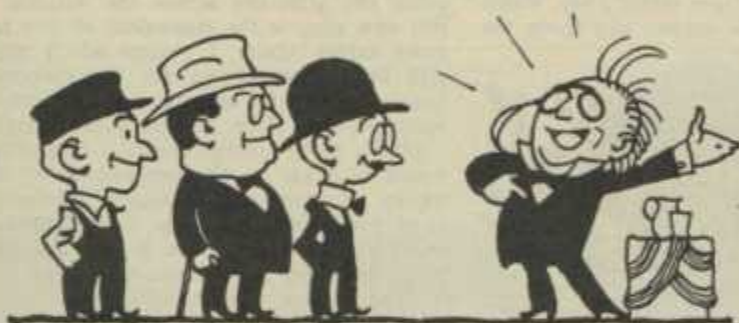
Little did the cooperage company think when making these huge casks that they would eventually be converted from wine casks into homes for tourists.



The Wine Cask Village, near Vermillion, Ohio

The Business Man's PRIMER

6



U Is for Utopia
A state of perfection
Promised by all
Just before each election

(I. F. Moore
Bridgeport
Conn.)



V Is for Victim
His surname is Legion
He invests in "Wild Cats"
Scorning Banks in his region

(H. G. Woodruff
and
Grace W. Martin
Montpelier
Vermont)



W Is for Washington
Famous Arena
Where business men come
When called by subpoena

(Fred Strom
Sioux Falls
S. D.)



Were too much for me !!

Finis

THUS IT ENDS !!
NATION'S BUSINESS
WANTS TO THANK ITS
SINGLE CONTRIBUTORS
FOR THE INTEREST THEY
HAVE SHOWN - AND WE
ARE SORRY WE COULD
NOT USE YOURS !!!

Charles
Lumm

The Philosophy of Fair Play

By JULIUS H. BARNES

Former President, Chamber of Commerce of the U. S.

THERE are three major menaces which hamper or destroy industry and the livelihood it provides a people.

These are: first, war; second, inconclusive peace, with its inherent menace of resumed war; third, governmental and social philosophies that stifle or destroy the effort of the individual. In the last decade, this world of ours has been a laboratory in which these three menaces have been tested and judged as never before.

The United States has been peculiarly fortunate in this decade of trial. We have seen war abroad strip the farms and industries of other lands. We have seen it inject anxiety and grief in every home. We measure that by the twenty million lost and crippled lives of other peoples.

At home this has been minimized to us. We found a larger, stimulated industry and expanded facilities for the production of goods of commerce, which made us peculiarly exposed to the second menace. For in the years of inconclusive peace, when industry could not rebuild, or at best slowly, we found a period of deflation in economic conditions. We maintained an honest currency until the gold standard recovered. It is now assuming the basis of stability for foreign trade.

But the greatest menace, the most deadly menace, that of government political theories that may touch people for years after war has ended, we have seen fail, as elsewhere. We have seen these theories tried at home, have had an example at our very doors. We have seen the public operations of railroads tested in actual practice, and we well know the loss and wreckage produced by the railroad blockade, the hampering of facilities of transportation in this country.

Railroad Baiting Unpopular

RAILROAD baiting in this country is no longer popular. The railroads have proved that given a fair chance they could attract into the field the same energy, force and initiative as in other industries, and they are handling today the vast commerce of one million cars a week without a blockade.

American industry has always proved itself intelligent. Public service has accepted the theory of the protection of public interest by intelligent regulation. Intelligent industry and fair-minded public opinion have evolved a new theory of regulation under which we have all prospered. We have been able to preserve the driving power and energy of public service and have developed it as nowhere else in the world.

This is best exemplified in the great American Telephone and Telegraph System, a giant monopoly of quick communication, which owns 17,000,000 telephone connections which can be reached from every phone in the United States, reaching from Cuba to San

Francisco. The scientists of this company recently perfected a new metal alloy, which in a submarine cable carries five times the

messages of any previously known wire. The cable just stretched across the Atlantic of this new alloy is the equivalent of five separate cables, under a system which might still be modern except for the successful fruition to months and years of patient research, which often seemed without result.

How many congressional committees would have sat on the expenditure of that money, and how many popular representatives would have rent the firmament as a waste of people's treasure if that had been proposed under government operation?

Take another unexpected development of the public utilities. When we lined this whole country with lighting systems that carried current to replace the kerosene lamp, who thought that that same line would carry current to run fans, playing pianos, irons and to do electric cooking?

Would it have been developed by the invention and manufacture of all kinds of electric appliances under the deadly lethargy of public ownership?

Would Government Do It?

WOULD the Government have approved the expenditure of large sums of money for research done by the General Electric Company in perfecting the Mazda lamp, until today if we should use the same amount of electric current that we did under the system of the old carbon lamp, our lighting would cost a billion dollars more?

Would the Government have approved of that expenditure for an enterprise apparently hopeless at times?

Instead, the philosophy of fair play by the Government has developed private ownership to far greater efficiency, with the same enlistment of talent, initiative and energy. If wealth and earning power are thus developed by accomplishment, the problem is how can that be done most effectively? The answer is, by the increased service of every single worker.

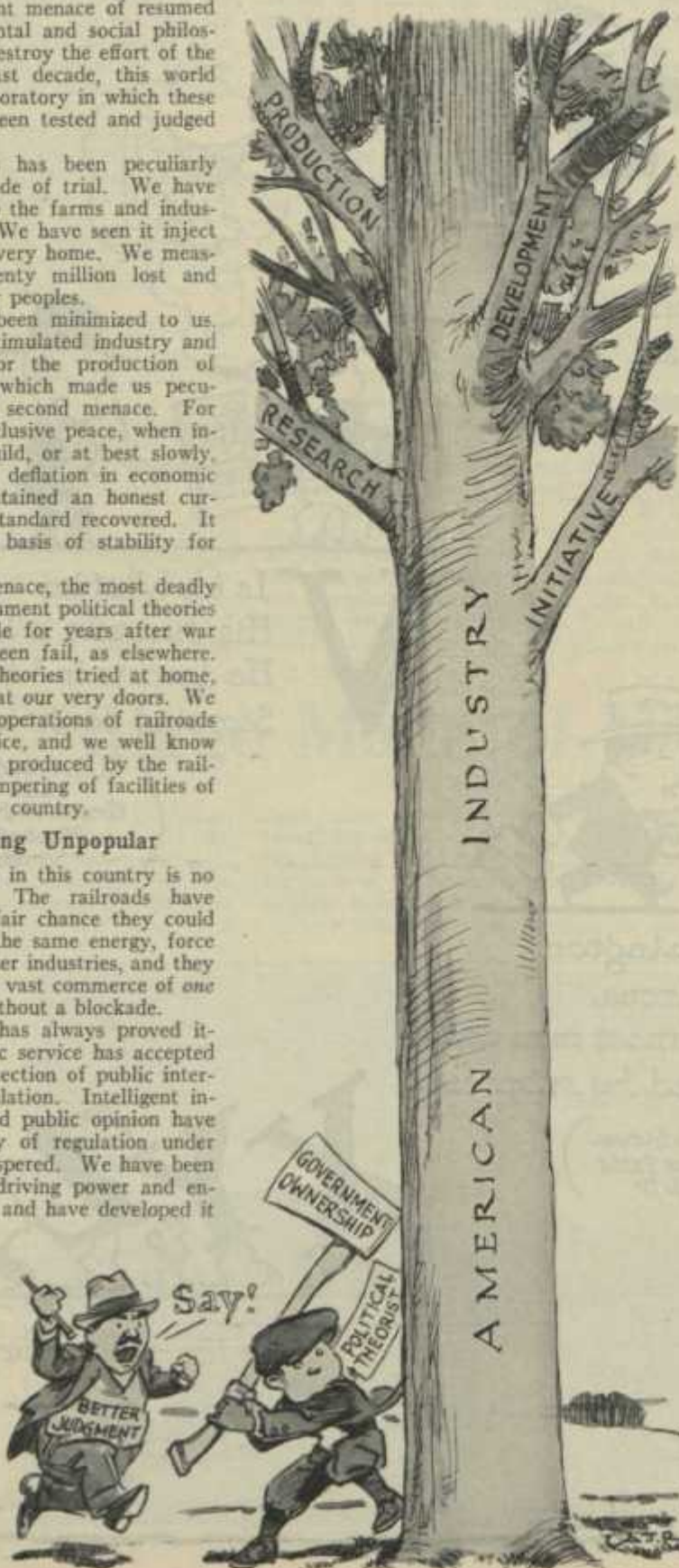
Here is where industry itself has played its own chapter of honor. I select at random two instances to show how we have made a single pair of hands make more of the goods which make for wealth the last few years.

Eight years ago it took one hour and forty minutes of a man's time to produce a pair of shoes. Now it takes fifty-four minutes of a man's time per pair.

Six years ago a man could handle but 800 tons of pig iron per year; now he can handle 1,200 per year.

The crowning achievement of our industry, the automobile, in a low-priced car twelve years ago required 1,260 hours of man power; today it requires 220 hours. That is why the prices of cars have declined and automobile stocks have advanced.

More production, of more things, to divide among American homes; more earning power because labor and effort is more effective in producing more things; more national individual attainment—these things stamp clearly the American philosophy of fair play and the province of government only to preserve that fair play so that individual effort is stimulated. This is a very precious philosophy holding the key to individual prosperity and it is a philosophy distinctly American.



Abandoned Farms Don't Worry Me

By JARED VAN WAGENEN, JR.

Who lives on and farms the New York State land on which his family settled a century and a quarter ago



THERE are more than 20,000 vacant rural dwellings in New York State, many of them here in my own county. "Abandoned farms" are no new sight to me.

When I see these empty homesteads where once stout families were raised, I am moved economically to say, "All right." Socially and sentimentally I am less certain. The "marginal" farm, the farm which is so poor and so remote that it can offer no man, however industrious, a normal and a fair living—that is the farm that is being abandoned and ought to be abandoned.

But I feel less certain about the passing of the farm as a nursery of men, and I find myself concerned over the residue that is left.

A Far Broader Farm Problem

TALK of the abandoned farm began in New England, but it is not a New England problem. It's far broader. In New York (as old as New England in the east—much younger in the western counties) there were more people living on the farms in 1860 than at any time since, and there were more farms and more acres under the plow in 1880 than were ever found again.

In varying degrees the same is true of all our older eastern and southern states—true even of many counties in states as young as Illinois.

Or you may put it in this way: That practically all long-settled rural areas tend to decline in population. Indeed the last federal census revealed the rather astonishing fact that this was true of three entire states so widely separated as Vermont, Mississippi and Nevada.

I happen to live in an old and very strictly rural county—a county where white men have been farming for more than two hundred years.

Census figures show that we have (or at least, until recently had) a smaller percentage of the foreign-born than any other county

in the entire group of northeastern states.

Our lands were occupied, and colonization practically ceased, early in the last century, and we are therefore almost exclusively pure old American stock. We have never been called upon to any great extent to act as the melting pot.

The census of 1860 enumerated some 34,469 people—the high-water mark of our history. Last summer the state counted our people again, and we could muster only 21,565, a bare 62.6 per cent, and to secure this number we counted the laborers employed on the Great Gilboa Dam, New York City's new water supply. We have substantially less people now than we did at the census of 1820.

Bear in mind that the county of which I write is by no means the poorest of our counties so far as its agriculture is concerned. It is true that we have a large area which is high and steep and rough, but, on the other hand, there is a good deal of strongly rolling and yet good alfalfa-bearing hills, and there is one fat valley whose fertility is proverbial.

Population Still Decreasing

IT IS true that we have lost a larger percentage of population than any other county of the state, but this is not indicative of the especially desperate condition of our farmers, but rather it is because our agricultural migration has not been compensated for by any large industrial development.

Merely quoting rural census figures is not a correct method of determining agricul-

This abandoned New York farm once yielded a living to the farmer who sowed his grain by hand, but long settled acres tend to decrease in population. Depleted fertility, obsolescence of methods and market shifts are factors that enter into the situation.

tural conditions. The status of our agriculture is by no means as hopeless as would be indicated by these figures taken alone. It is true that seventy-five years ago the open country of the old eastern states was full of people. I could in our county today find hundreds of cellar holes, each of which once represented a home that sheltered a family.

Family Shrinks, Factory Grows

TWO things besides outright abandonment of the farm have helped to cut down population: The family of that time was on the average very much larger than now, and the old-time rural handicrafts have given way to the distant factory.

Time was when the township hamlet, then far more prosperous and populous, was not only the center of church and school and trade but harbored the smith and miller and cooper and cobbler and tanner and tinker and the carder of wool and the fuller of cloth.

Then there is another and perfectly evident reason for declining rural population. Modern implements and the rapidly growing application of gasoline power to farming have made it possible to release large numbers of men to city industry and, at the same time, practically to maintain agricultural production. This drift has been going on at an astonishing rate for many years, and not even the flush agricultural times during and immediately following the war seemed to check it. Dependable surveys indicate that during the three years just past there has been a net loss from the farms of New York State of some 70,000 workers.

Of course subtractions like this cannot go on indefinitely, and there is evidence that

this particular movement draws toward its end. It is generally assumed that a man once lost to the farm is lost forever, but this is not quite true. There are always a considerable number making the backward journey.

There is yet another slant to this movement away from the land. Those who are leaving on the whole represent Youth—boys and men still in their first prime. We who are left are a selected group—selected because we are no longer young. This fact may have a very definite and vital bearing upon rural life a generation from now, and I think it is worthy of special consideration.

Now the foregoing has to do merely with shifts of population. It is entirely conceivable that such changes might take place without any impairment of our agricultural production, but, as a matter of fact, our census returns and agricultural surveys show that farming as a business is undergoing some tremendous readjustments.

More Farmers in 1860

AS I HAVE said, the maximum rural population in New York State was reached at the census of 1860, but the high point for numbers of farms and total tilled acres was not found until 1880.

During the past forty-five years our farms have decreased 22 per cent in number and our tilled area has declined 19 per cent or more than four and one-half million acres.

You may state it thus: During this period the Empire State has lost more than 52,000 farms which once constituted the home and the support of not less than a quarter of a million people.

Of course actual and complete abandonment is to be found chiefly in the regions of marginal land. Times of agricultural distress leave their marks upon farms everywhere, in good neighborhoods as well as in poor. Of necessity severe retrenchment policies are put into operation. Buildings go unpainted, fence rows spring up, drains remain unopened, fertilizers are no longer bought, and tillage becomes careless. Declining crop yields follow. But only infrequently do really high-class agricultural lands lie unused.

Unless conditions shall become even worse than now, men will continue, somehow or

other, to farm our best soils. But our marginal lands are being forsaken. Seven and eight years ago, in the war days and after, and in what were esteemed good agricultural times, men left the farm for the lure of unbelievable wages. For the past five years they have continued to leave because of hard conditions at home.

Economic and Social Sides

NOW THERE are two aspects to this whole subject—an economic and a social import. If a man believes that everything in the world can be measured in terms of figures, he has really no call to give this matter a second thought. In a country as vast as this, it is a very insignificant matter if some few millions of people change their place of abode. Indeed the economist may assert that the one-time farmer and his family will be better off as factory workers than they could ever hope to be in wresting a poor livelihood from a sterile farm.

So let economics go. But what of the social questions? Unfortunately farm migration is not an orderly, systematic procedure which cleans up whole school districts or townships at a time. It is at best a gradual and generally never completed operation, and the families left stranded are the real problem. No matter what happens, the school is bound to survive either in its old "district" model or in "consolidated" form. The State Department of Education may be depended upon to see to that. But unfortunately there is no agency which is specifically charged with the welfare of the church or the other social institutions of the community.

Slum-Farms

EVENTU-ally there are developed in the country slum-decadent communities that are as worthy of that name as anything

that can possibly be found in the great cities.

When I was considerably younger I was fond of exhorting boys and men to "stick to the farm," oftentimes without stopping to ask if the farm had anything worth sticking to. I have since come to realize and to preach that the abandonment of much of our marginal land is a sound economic development fraught with immediate benefit to the individual and ultimately to the whole social structure. We want no man upon a farm which does not afford its owners a decent and satisfying life.



So I have come to look at this question from two very different view points.

As an economist, when I see an abandoned farm where some brave man has at length given up the struggle, where the young pine and hardwoods are springing up in the meadows and the pasture and where the house stands tenantless, my cold economic, and I fear, my purely selfish instincts bid me say, "I am glad—glad. I hope this thing will go on until all our steep and rocky and infertile land has again returned to forest and a just balance of agricultural production has been attained, and we—who are left behind shall find equality of economic opportunity with the rest of the world."

But when I let myself think of the social aspect of the question, then romance and pathos are to the fore.

For, after all, farming is not only a busi-



The bell on the roof of this Revolutionary farmhouse no longer summons field laborers to the cheer of its hospitable table, nor do sweep wells, once the last word in domestic hydraulics, serve except in few remote and isolated areas



The abandonment of barren acres brought in its train the obsolescence of incidental industry—the water-driven gristmill is a phantom of a by-gone day

ness but it is a mode of life. Doubtless it is true that as a source of great fortunes farming has signally failed, but the farm has not failed as a nursery of men. I think, in fairness, we may claim that we have given to the city more than it has given back. We can ill afford to lose a yeomanry trained to the virtues of thrift and industry.

Another Consideration

THERE is yet another consideration. Just now it would seem as if there could never come an end to our plethora of foodstuffs. Never from the beginning of time would the labor of a man's hands for a day enable him to purchase so much of the things that he might desire to eat as during the last five years. Farm abandonment needs no other explanation than that the purchasing power of farm products is out of line with other commodities.

In other lands and other centuries men have always prayed for abundant harvests and have anxiously asked if they would be sufficient so that all might be fed.

But in America we have asked rather if there would be any room in the market-places of the world for the overflowing abundance of our fields, and famine—a visitation familiar enough to some peoples—has no place in our wildest imaginings.

Still, readjustment of agricultural over-production is going on in drastic fashion. Economists are agreed that consumption at present tends to overtake production.

Signs are not lacking that we approach the close of our rôle as a great surplus-food-exporting nation. A widespread drought might rather suddenly and unexpectedly usher in a new day for the man on the land. I do not mean that we should go on short rations. I mean that someday we are due

for market conditions that will cause industry to express great surprise. Moreover, a situation of this kind could not be corrected overnight. For example, a shortage of dairy products would mean that calves not yet born must grow into cows—a matter of three years at the least.

Agricultural Position Sound

THE agricultural readjustment watched and hoped for so long and so eagerly has gone a long way. Fundamentally our agricultural economic situation is sound. Wheat is bringing fairly good prices even if a bit disappointing after the expectations aroused

by the market flurry of last December. We think first of this crop, although it accounts for less than 7 per cent of our farm income.

Hogs are rather high in dollars, or, if measured by the price of corn, higher than at any other date in trade history. Beef cattle are evidently started on the upward curve of a long-time price movement that in the past has taken about sixteen years to complete its cycle. Dairy products are doing better than at any time for five years.

Potatoes a Bonanza

PPOTATOES are the bonanza crop of 1925, and Aroostook County up in Maine, which last year seemed hopelessly bankrupt, has come back in a spectacular way. The one conspicuous sore spot in the situation is cash corn, and in all conscience that is bad enough. Nature was very kind to the corn fields last summer, but most important is the fact that the number of hogs had been allowed to run down.

I doubt if the farmer would emit such resounding cries of distress if his anguish was not stimulated and his efforts directed by certain gentlemen who are the self-appointed spokesmen for the farmer and who hope to profit politically by his economic discontent.

My only fears regarding a well-intentioned Congress at Washington are that it will do altogether too much. Above all things, I hope we shall have no scheme of governmental price fixing. Once this principle is invoked it can be made to work both ways. The present is a good time for the farmer to hang on and take counsel of his philosophy. The future is bright with hope.

Edison Pioneers Still Set the Pace

By F. S. TISDALE



PHOTO
EDISON
NEW YORK
EDISON CO.

RECENTLY man has learned to gear his activities so that they keep pace with the flight of time. In America we are accustomed to see industries pass directly from the discomforts of teething to the strength of youth. The automobile and the movies have attained considerable proportions—and are still increasing. That lusty—and sometimes noisy—infant, the radio, outgrows cradles faster than they can be made for him.

At least one industry that has become an intimate part of our national life has reached its mature powers within the useful span of a single life—it is the business of making and marketing electricity. Not only are many of the men who created that industry alive but they are active figures in the operating companies. After more than forty years of rapid expansion its veterans are still among its leaders. Obeying an urge that was natural among men of a common interest, these old-timers formed themselves into an association. They called themselves the Edison Pioneers.

There Is Sentiment Here

PERHAPS there is another organization like it. I hope there is. In the first place the Edison Pioneers are sentimentalists. They admit it severally and *en masse*; they proclaim it in their constitution and by-laws. That document declares the object of the Pioneers is to bring together men associated with Thomas A. Edison in the years prior to and including 1885, "to pay tribute to Mr. Edison's transcendent genius and achievements and to acknowledge the affection and esteem in which we hold him."

The principal activity of the association is a banquet given once a year. It also serves as an annual meeting. The constitution decrees that this banquet be held on Mr. Edison's birthday—February 11. This year's banquet celebrated the seventy-ninth anniversary of the inventor's birth.

It must not be understood that all the men who pioneered with Edison have gone to the top in the industry. But there are no classes

at the banquet. Oilers who still work in overalls are on a par with men who head utilities. There is plenty for these old timers to talk about when they pull up their chairs and unfold their napkins. One line continually bobs up in their swapping of yarns: "The old Pearl Street Station—"

Those whose electrical knowledge is confined to the operating of switches will be interested to learn that the "old Pearl Street Station" was the father of the modern central power plant. It was the first station in the world that put on a commercial basis the furnishing of current for incandescent lights.

What Made Edison's Success

TWO THINGS explain Edison's success as an inventor and the present dominant position of his former assistants in their industry: He experimented with infinite patience; he had a faculty for creating enthusiasm and loyalty in others. The incandescent bulb which lights this page as I write is an example of that patience. Edison tested over 6,000 varieties of fibrous materials while

searching for the best filament. The laity gasped or grinned when he said: "We are going to make electric lights so cheap that only the rich can afford to burn candles."

Nor were all the scoffers obscure and ignorant.

At least one was an eminent scientist. This was Mr. W. H. Preece, electrician to the British Post-Office Department.

Mr. Preece in a lecture pledged "a reputation hitherto formidable to the assertion that the successful subdivision of the electric current, so as to effect a popular revolution in the lighting of houses and factories, was a mere chimera, and that all efforts in that direction were doomed to final, necessary and ignominious failure."

Meeting Setbacks, Undismayed

UNDISMAYED by this blast, Edison and his assistants went right ahead with their experiments. When they had satisfied themselves that their discoveries were sufficiently advanced they announced that a central power station would be built in New York. The result was the plant at 253-257 Pearl Street in the lower part of Manhattan Island.

Underground wires ran to the offices and stores of venturesome business men who wanted to try this new form of illumination. One of the first subscribers was Drexel, Morgan and Company, the predecessor of J. P. Morgan and Company.

The Pearl Street Station began commercial operations on September 4, 1882. Four hundred lamps glowed with this first historic "juice." New York and the nation watched and marvelled.

This new form of lighting increased so rapidly that it soon ceased to be a novelty. During the month of November, 1883, a little over a year after the station started, lighting bills amounting to \$9,102 were collected. Forty-two years later the income of central stations and municipal plants in the United States was \$1,470,000,000. Some \$7,500,000,000 had been invested in the business by 1926.

There are 18,000,000 customers. More

than half of the American people now live in electrically lighted homes.

There are 110 members of the Pioneers who started this industry. Frank A. Wardlaw, an Edison Pioneer himself, is secretary of the association. He took the membership list and ran his finger down the columns, pausing now and then for brief biographies:

Dr. Edward G. Atcheson, one of Edison's assistants at the Menlo Park laboratory, is the discoverer of carborundum and creator of the modern abrasive industry.

The name of the late John I. Beggs, of Milwaukee, had not been taken from the list. Beggs began his career on a workman's wages.

After serving under Edison in the early days he went to the Northwest and became head of a huge electric utility system.

Pioneers Were International

THE SECRETARY'S next pause illustrated the international phase of the Pioneers. Sigmund Bergmann was a partner of Edison in the manufacture of the first chandeliers. He realized the demand that would be created by incandescent lights and prepared for it.

For years Bergmann chandeliers were the only ones to be had.

He returned to Germany and is now one of the outstanding figures in that country's electrical industry. Charles L. Clarke, consulting engineer of the General Electric Company, was the chief engineer of the parent Edison Electric Light Company. Charles L. Edgar, another Edison pioneer, is president of the Boston Edison Company.

"And there's J. W. Howell," said the Pioneers' Secretary; "he's been in the same job for forty years. Howell was chief engineer of the first Edison lamp works; he's chief engineer of the present Edison lamp works."

Samuel Insull. Another example of the international nature of this electrical brotherhood. Insull was a clerk in the office of Colonel Gouraud, Edison's London representative.

Word came to London that Edison needed a secretary to help handle his expanding activities.

Somebody thought young Insull might fill the bill. Insull was sure of it. He came to the United States in 1881, became Edison's first private secretary and handled the inventor's personal business affairs for many years. He had charge of the manufacturing interests of the Edison General Electric Company.

Today, Insull heads the electrical group that centers in and around Chicago, one of the greatest utility aggregations in the world.

You will find K. Iwadare at 16 Fujimioho Azabu-Ko, Tokyo, Japan.

This veteran of the Menlo Park days is interested in important electrical enterprises in Japan.

Lieb Was First Electrician

THE FIRST electrician at the historic Pearl Street Station was John W. Lieb. Mr. Lieb went abroad and helped organize the Milan Edison Company, which is now one of the most prosperous electric enterprises in Europe.

Today Mr. Lieb is vice-president and general manager of the New York Edison Company.

Robert Lindsay is president of the Cleveland Electric Illuminating Company. S. Z. Mitchell was sent out by Edison to develop the application of the Edison system in the State of Pennsylvania. He later became a

power in the northwest and is now president of the Electric Bond and Share Company, of New York.

Some Records of Service

GEORGE F. MORRISON, vice-president of the General Electric, joined the Edison enterprises in the 80's.

Following an Edison apprenticeship, Wil-

Co., and Robert M. Searle, president of the Rochester Gas and Electric Company. John F. Ott, of Glen Ridge, N. J. is one of Edison's oldest mechanics and designers; he is still on the job after half a century of service. Another old-timer still at work is W. S. Andrews, connected with the General Electric Company at Schenectady.

"Here's L. H. Latimer, of Flushing, L. I. Mustn't forget him. Latimer is a colored man. He is a Civil War veteran and was one of the Edison draftsmen in the old days. A good draftsman; fine a man as ever lived."

Eligible as Associates

MEN who worked with Edison between 1886 and 1900 may become associate members of the Pioneers. There are familiar names among the hundred who make up this roster.

One of them is a prominent automobile maker of Detroit—Henry Ford by name. Ford was a mechanic in the Detroit Edison works and left that prosaic job when he became inoculated with the automobile bug.

You are surprised to encounter the name of Robert F. Outcault among the Associates. His fate was the strangest and most un-electrical of all. Outcault left that business to help found the comic-page industry.

He was the creator of the Yellow Kid; also of that wild but philosophical firm of Buster Brown and his dog, Tige.

Gradually the Edison Pioneers have been gathering old apparatus, electrical equipment, historical documents and other electric memorabilia of the electrical industry.

The collection certainly will one day be displayed in an industrial museum. There is still available as an exhibit one of the original "Jumbo" direct-drive engines and generators used in the old Pearl Street Station. It weighs more than forty tons, thereby justifying its name.

Some time ago it was learned that the Grinnell Mills of New Bedford, Mass., had one of the first Edison dynamos.

The Secretary coveted it for the Pioneer collection and asked the Grinnell Mills if he might have it. Through an official the Grinnell Mills refused to part with the dynamo.

"But," protested the Pioneer, "it's no good to you."

"Oh, isn't it?" was the retort; "it's just as good as it ever was. And it's just about as economical as the machines turned out today. We are using it right along."

The veteran dynamo is still in service. Other machines of the same services were discovered. After forty years of duty they are still furnishing light for industry.

A Unique Organization

NO OTHER industrial development, with the attendant factor of the personalities of the founders, perhaps compares with the Edison Pioneers. As an organization, it is undoubtedly unique. The world will never repay Edison and his associates directly. That is not the way of the world.

Yet it is reassuring to think that his associates have chosen such a fitting way to express their own appreciation and esteem for their leader. It is reassuring because it shows that these oldsters are aware of his merits and worth as a man.

The world is a better place because these men lived. As their handiwork continues to illuminate the world—both figuratively and literally—it should be remembered that the shadow cast by their electrical achievements are but the lengthened shadows of men's dreams of fifty years ago.



liam MacQuisten became an independent inventor. He sated his desires in that direction, got politically ambitious and is now mayor of his home town, Mount Vernon, New York.

Other veterans who head their companies are: Joseph F. Porter, president of the Kansas City Electric Light and Power

Sane Spending Is Intelligent Economy

Review of State Budget Practices Reveals Need for Revision of Tax Methods

By BLAINE F. MOORE

Finance Department, Chamber of Commerce of the United States

THE JOB of cutting federal taxes has been thoroughly done in the last few years; state and municipal taxes are still to be tackled.

In 1924 Uncle Sam reduced his housekeeping bills by \$385,000,000, while the states, counties and cities raised theirs by \$492,000,000.

We've had businesslike management and a well-organized budget system at Washington. We haven't had them in all our states and cities. And we shall not have until business men take an intelligent interest in local and state taxation.

Let's start by saying that higher taxes aren't necessarily an evil. A man whose income is increasing may well increase his expenditures. None of us looks upon the man who buys an automobile as foolish, but he is foolish if he buys a car he can't afford or a car when he has no place to use it.

Competition in Schools

AND THAT'S true for high schools and highways and the dozens of other things for which states and cities spend their money. A high school fitted properly into its place in the educational scheme is a desirable thing for a community; a high school built by Smithville chiefly to outdo Jones-town may be a waste of money.

But the fact remains that in ten years the cost of government has risen from \$2,900,000,000 to \$10,250,000,000.

Take it another way: A century ago one public officer sufficed to administer government to 100 citizens; now there's one official to about every 10 citizens.

The past decade has witnessed a tremendous increase in the national income—that is to say, the total income of all Americans—but with it the demands of the tax-taker have increased in greater proportion.

The best available data indicates that taxes now absorb between 11 and 12 per cent of the national income, while ten years ago 7 per cent of the then total national income sufficed to satisfy all demands. That means that George W. Citizen, with an annual income of \$5,000, must pay—assuming that total tax obligations were spread share and share alike—between \$550 and \$600. Ten years ago, when he was getting \$2,400 a year, if taxes had been spread share and share alike, his share would have been \$168. To be sure, he has more to pay with now, but the ratio is against him; and the worst of it is, it's "getting no better fast." Some of it he pays directly and is conscious of; some of it is indirect, and he doesn't always know that he's paying.

But pay he does, and it is in state and local taxation that there is now the greatest need of business interest. The inquiry made by the National Industrial Conference Board



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indicates that the per capita tax collections of state and local governments increased from \$28.26 in 1919 to \$43.22 in 1924. Expressed in totals, state expenditures during the decade 1913-1923 mounted from \$387,551,000 to \$1,310,332,793. During the period 1913-1923, according to the National Industrial Conference Board, bonded debt of state and local governments increased from \$3,822,000,000 to \$11,650,000,000.

Large Investment in Roads

OF THE increase in a recent year, 27 per cent was invested in highways and 21 per cent in schools. Of new bonds issued during the period, one-fifth of the total were state issues, one-seventh county, and the remainder those of municipalities, school districts and other local government units.

This is a nation-wide picture, indicating a general trend. And this trend is distinctly disquieting.

It is not enough, however, to dismiss the case with a blanket indictment of extravagance, incompetence and inefficiency, because it is obvious that what might be an unwise and improvident expenditure in one case, might be indispensable and entirely prudent in another.

There is a need for business-like scrutiny, both of methods of raising money and the purpose for which it is spent. That is much easier to say than to do.

In the first place, the state and local spending authority is diffuse, while in the Federal Government it is concentrated. At Washington not a dime can be spent without authorization of a single legislative body—that is, Congress. Locally—speaking of all the other government units as local by way of distinction from the central or federal authority—spending authority as well as taxing authority is diffusely vested. In fact, scarce two states employ the same ways of taxing and spending.

Uncontrolled Officials

THIS, of course, makes the task of watching for extravagance difficult. Keeping an eye on the taxing and spending at Washington, compared with the job of watching the local spending, is like trying to repair a single leak in a tin dipper as compared with stopping the holes in a sieve. But the difficulty of the task merely adds to its importance.

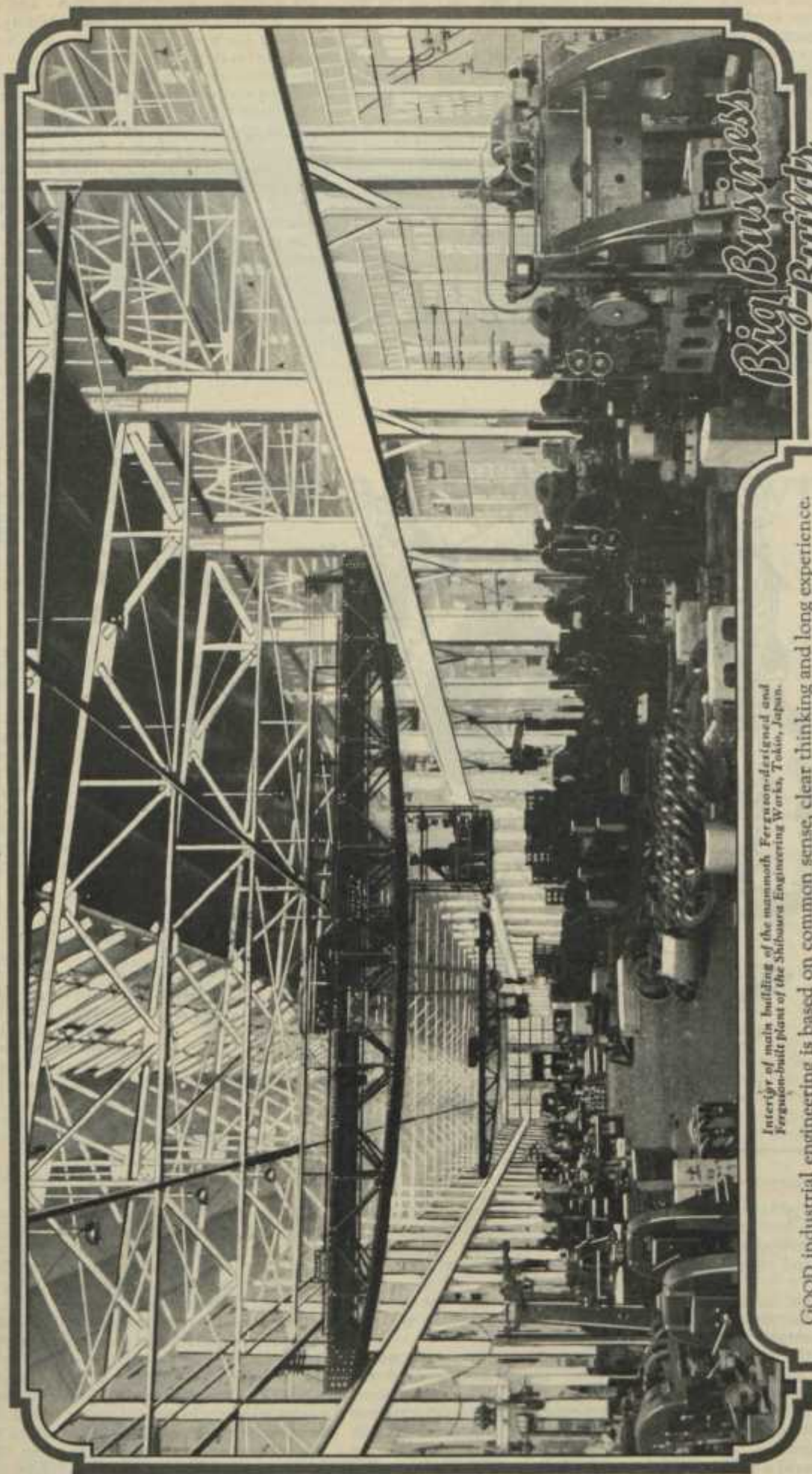
In pioneer days the number of functions performed by the state was limited, and the number of officers correspondingly small. As functions expanded and officials increased, it became the custom to have practically all of the state officials elected and their authority fixed either by the state constitution or by statute. Thus the governor, nominally chief executive, had little or no control over other administrative officers, with no central supervising authority.

As each state grew in wealth and population it became the custom for the legislature to create a new official or board for each new function added to the state government, with little regard whether or not this new function could not logically have been included in the duties of some existing officer.

As a result, state administrative organizations became heterogeneous. Officers and commissions were functioning with no administrative superior to unify or systematize their activities. In one state, for example, at present there are fifteen officials and commissions each independent of all the others functioning on agricultural activities within the state. Inevitably there are overlappings and gaps. Under such an arrangement—it cannot be called system—opportunities for waste are not lacking.

In recent years the states have become more or less conscious of the unsystematic character of their administrative organizations. In practically every state there has been agitation for fiscal reform, but results obtained have been uneven.

Reorganization of state administrative systems has been along two different avenues. One has been an attempt to coordinate and simplify the administrative system without, however, giving the state executive any ap-



*Big Business
Builds*

*The Ferguson
Way*

*Interior of main building of the mammoth Ferguson-designed and
Ferguson-built plant of the Shibaura Engineering Works, Tokyo, Japan.*

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preciable increase in power. Under this system, the number of boards and officials has decreased, and they have been brought into more or less logical arrangement, yet each functions practically independent of administrative control. Wisconsin, Michigan, New Jersey, and some others have each made progress in this direction. In New York recently the Hughes Commission recommended that 150 agencies be consolidated into 18 administrative divisions, and at the election of 1925 the people approved a constitutional amendment which provides for this consolidation.

The other has been to simplify, coordinate and systematize the state administration and place all, or nearly all, administrative officials under the control of the executive. This method follows rather closely the administrative organization of the Washington Government. Illinois led the way in 1917, combining more than 100 state boards and officials into ten departments and placing them under the supervision of the governor. Idaho, Washington, Ohio, Nebraska, Massachusetts, Tennessee, California and a few others have followed suit, each in some degree.

Not Easy

A THOROUGH administrative reformation is not easy to accomplish. An outstanding difficulty is the fact that constitutional amendments are usually required.

For many years the United States had the doubtful distinction of being the only modern country without a systematic method of preparing government budgets. More recently interest in this question has been active, and real progress has been made.

Budgeting reforms in the states preceded those of the National Government, but the adoption by the latter of a comprehensive executive budget has stimulated and aided the movement in the states.

Much has been accomplished, but as in most issues affecting state institutions, many and varied methods have been employed, and progress is uneven. In all the states but one where budget procedure has been prescribed by statute, the budget is prepared by the administration. Arkansas is the exception. There the budget is formulated by a special committee of the legislature.

About twenty-five states now have a so-called executive budget—a budget prepared by the governor and submitted to the legis-

lature—but this classification really means little since the systems used vary all the way from the iron-clad Maryland scheme to those in vogue in states with a so-called budget which is little more than a compilation of statistics which is sent to the legislature, leaving that body to deal with it at discretion.

The Most Complete Budget

THE MARYLAND procedure is the most complete type of the executive budget. Under the Maryland plan all spending agencies are required to report to the governor both the amounts spent in the years immediately preceding and their estimates for the forthcoming year. The governor

ship of each house, and is then subject to the governor's approval or veto. This gives the governor control and responsibility.

Utah has a similar procedure, and Nevada had for a time, but has since repealed the provision which limited the legislature to striking out or reducing items in the executive budget.

Yet another plan—the so-called Virginia system—is more popular. Under this scheme each spending department must furnish the governor a detailed account of expenditures during the years immediately preceding and estimates for the forthcoming fiscal period. The governor holds public hearings on these estimates and may require additional information. He then prepares a comprehensive budget and

submits this along with the consolidated appropriation bill to a joint committee of the two houses of the legislature. This committee may hold public hearings, and the legislature is at liberty to increase or decrease items in the budget bill at discretion.

Other Budgets

DELAWARE, Oklahoma, South Carolina, Wyoming and Idaho have similar budget procedure.

In Illinois the budget is prepared by the director of the finance department, who has ample authority to investigate and secure information from all the spending departments. After the budget has been drawn up by the finance department, it is submitted to the governor for his approval or disapproval. When he is satisfied with it, it is submitted to the legislature along with a consolidated appropriation bill. The legislature is then at liberty to modify.

Nebraska, Utah, Ohio, Idaho and

Missouri also have departments of finance, one of whose duties is to study expenditures and to prepare the state budget. Nebraska, Idaho, and Ohio have centralized the administrative system, which materially helps the operation of budgets of this type.

The second general method of preparing a budget is to have that document prepared by special board or commission, of which the governor is usually, but not always, a member. The composition of this board varies widely. In several states it is a full-time body which combines other duties with that of preparing a budget. In some states it is composed of ex-officio members. In some instances the commission prepares a very complete and elaborate budget, while



then prepares a comprehensive budget showing both the expenditures and the estimates for all the principal spending departments, and submits these with a general appropriation bill to the legislature. With certain limitations the legislature may not increase any of these items, but may reduce or strike out only.

Moreover, the legislature is not permitted to consider other appropriations until the governor's budget bill has been finally acted upon. Supplementary appropriations are not forbidden, but each such appropriation must be embodied in a single bill limited to a single purpose, shall provide the revenues necessary to pay the appropriations, must receive a majority vote of the total member-



Eight Studebaker Standard Six Duplex-Roadsters were recently purchased by Graham Brothers, Inc., Long Beach, Calif., for the use of salesmen and field workers.

Studebaker Fleet-Owners Buy More Studebakers When they need additional equipment

—because experience proves Studebaker dependability and economy

GRAHAM BROTHERS, Inc., Long Beach, California, one of the largest sand, gravel and excavating companies on the Pacific Coast, purchased the eight Studebaker cars shown above—as the result of previous experience with One-Profit Studebakers.

Due to the economy of Studebaker equipment, as proved by cost records, The Southern California Edison Company recently added 22 Studebaker cars to its fleet of 125 Studebakers.

Similarly, the Great Northern Ore Company, St. Paul, Minn., purchased four Studebakers last year and obtained results so satisfactory that five additional Studebakers were bought this year.

Low operating cost

These concerns, like scores of others throughout the country, have found that Unit-Built Studebakers are not only remarkably low in operating costs—but also reduce depreciation, the heavy cost-item, to a minimum.

Operating figures show that 6-cylinder Studebakers can be operated at practically the same cost as the average 4-cylinder car which varies from 5½ to 6 cents per mile. It is significant that Studebaker's repair parts sales in 1925 averaged only \$10 per car in operation.

Cuts depreciation cost

Operators find, too, that the slightly higher first cost of Studebaker cars is counter-balanced by superior performance and years longer service—scores of thousands of miles of dependable, low-cost transportation. As many firms have proved—it is not necessary to trade in Studebakers each year or every other year. Upwards of 50,000 miles is not unusual for a Stude-

baker. The factory recently received reports from over 300 owners who have each driven their Studebaker cars more than 100,000 miles—some 200,000 and even 300,000 miles.

Thus, the One-Profit Studebaker is actually more profitable in the long run. In addition its much finer appearance creates prestige. And its greater power, greater comfort, and greater dependability enable the salesman to cover more territory, with greater personal efficiency.

Unit-Built construction

Studebaker cars are more dependable and give years longer service because they are Unit-Built under Studebaker's One-Profit plan of manufacture—whereby all engines, bodies, gear sets, differentials, springs, brakes, steering gears, axles, gray-iron castings and drop forgings are made in Studebaker plants. Because all parts are designed and built into one harmonious unit, the Studebaker functions as a unit, yielding greater riding comfort and longer life with minimum repair cost and higher resale value.

Entirely new-type open car

The Studebaker Standard Six Duplex-Roadster, the type selected by Graham Brothers, Inc., as illustrated above, has many practical advantages as a car for salesmen. Within its steel-framed top are concealed the famous Duplex roller side enclosures which banish curtain trouble and give protection from rain or storm in 30 seconds. It has 18 cubic feet of water-tight and dirt-proof storage space. Its engine, according to the rating of the Society of Automotive Engineers, is the most powerful in any roadster of its size and weight.

Particulars of Studebaker cars in fleet-service will gladly be sent to interested parties. Write—**The Studebaker Corporation of America, South Bend, Indiana.**

STUDEBAKER CARS COST LESS IN THE LONG RUN



Cartoon by Albert T. Reid

Apparent tax reductions sometimes result from sugar-coating levies. A notable example is the more than sixty millions insurance policyholders annually pay in the form of various regulatory excises. The aggregate collected—a tax on the individual notwithstanding it is hidden in his premium—far exceeds the cost of the "regulation." This and other tax-juggling devices stress the need for a thorough overhauling of the taxing paraphernalia and methods.

in other instances it performs its budget duties in a more or less perfunctory manner, leaving the real problem to the legislature. About a dozen states now employ this method.

Wisconsin and some six other states vary this procedure somewhat by having the administrative board supplemented by the chairmen of the appropriations committees of each house of the legislature. This has the advantage of securing closer relations between the legislative and executive branches, increasing thereby the chances of the legislature accepting the budget as presented.

As a general rule, where budgets are prepared by an administrative board the legislature has complete liberty of action after the budget is presented, though there are some exceptions. But state budgeting, however essential to tax efficiency and intelligent economy, is not a panacea. All the states might enact drastic budgeting procedures and yet tax totals continue to mount unless other local government taxing units—cities, counties, school districts and the like—were brought into line.

Dependable data as to nation-wide totals for these local divisions are not available, particularly as to counties, drainage, park and highway benefit districts, school districts and smaller towns and townships.

The Census Bureau, however, affords definite figures as to cities of 30,000 and over. These reveal that expenditures of cities of that group increased in ten years from \$912,000,000 to upward of \$2,000,000,000. With due allowance for depleted purchasing power of the dollar, this is an increase of some 80 per cent.

On the theory that everybody's been doing it, and from definite data in multitudes of individual cases, it is a safe assumption that the spending of the other units has increased in ratio. It is fairly well authenticated, for example, that the average cost per pupil in public schools has risen from \$33 in 1910 to about \$100 in 1924.

Government and State Taxes

WHILE due credit should be given to the Federal Government for its tax-cutting achievements, it can't be freed from all responsibility in high tax totals. The Washington Government during the past ten years has granted subsidies on the condition that the states appropriate an amount equal to that of the federal dole, and that the Federal Government be allowed a certain control

over the total expenditure. This practice is now the subject of vigorous assault and defense, but whether right or wrong, these federal subsidies are an appreciable factor in mounting state tax totals.

In 1924, the last year for which accurate figures are available, federal subsidies to states were parceled out to the amount of nearly one hundred million. That induced state expenditures of another hundred million.

Moreover, in the case of the states, most of the hundred million was the proceeds of bond issues, while the federal hundred million was appropriated out of treasury cash in hand. The point to this distinction is at once apparent. The federal hundred million was spent in cash, while the state hundred million, by the time it is fully paid on the basis of a twenty-year, 5 per cent bond issue, represents an outlay of two hundred millions on the part of the state taxpayer.

Separate Revenue Sources

THERE has been demand for segregation of state and local revenue sources. The suggestion is that the state should derive revenue from indirect sources, such as taxation on corporations and personal incomes, licenses and the like, and perhaps special taxes on certain intangibles. It is argued that this segregation of sources would tend to reduce taxation on real property and to reduce double levies, since the states and local subdivisions would not both tax the same property or income.

It is argued, also, that segregation would lead to a fairer burden being placed on intangible property, since if the state is deprived of the general property tax, it must necessarily reach out for other sources of revenues.

On the other side, it is urged that such separation does not diminish conflict of interest between town and country, but accentuates it. In practically all state legislatures the rural element predominates, and

there develops a tendency for these rural districts to shift burdens on the state, which is collecting the greater part of its income from activities within the cities.

Another argument, and one not lightly to be dismissed, is that if the state abandons all interest in and all control over the local taxing units, it is shirking its duties. Inefficiency and extravagances of local spending units are notorious. If the state renounces the control which it can and should exercise over these local units, it may be winking at conditions which it has both a legal and moral duty to correct.

A number of states have tried segregation in varying degrees. Complete separation has prevailed in Delaware since 1877, except for a state levy on real estate to finance public schools. New York had almost complete segregation from 1880 to 1911, when the plan was abandoned. Vermont tried it for a short time. Pennsylvania has had separation since 1885. New Jersey abandoned the direct state tax on real estate in 1884, but the inadequacy of state revenue has since forced special direct property taxes. Connecticut maintained separation from 1890 to 1911.

On the whole, experience and theory seem to be against complete separation of the sources of revenue for local and state purposes.

Revision of Tax Methods

THE UPSHOT of the business is that revision of tax methods is necessary. Every consideration leads to that conclusion, yet it must be borne in mind that tax reform is not solely a matter of economy—if by economy is meant niggard penny-picking. Such economy can be quite as improvident as prodigality.

Intelligent spending is sane economy. A sensible formula might be suggested in simple rules:

Is the thing under consideration desirable? Does it serve a worthwhile or necessary purpose?

Can we afford it?

If so, is it a good value? Is it worth the money asked for it?

The BILLIONAREA

~ the GREATER ST. LOUIS MARKET

Another Basic Reason For The Tremendous Development of The Greater St. Louis Market.



Adding a Schenectady!

IN addition to a normal, annual purchasing power of more than a Billion Dollars—greater per family than that of any other major market in America, with one exception—in addition to a construction program totaling more than a Billion Dollars—there is an industrial side to the amazing growth and prosperity of the Greater St. Louis Market that is particularly impressive to national advertisers. These facts tell their own story:

One of the major industrial developments of far reaching consequence in increasing the purchasing power and prosperity of "The BILLIONAREA" is the establishment here, in effect, of another Schenectady.

The General Electric Company has recently purchased a factory site of 155 acres, and has announced its intention of making St. Louis one of its principal manufacturing and distributing points.

The Westinghouse Electric Company has recently purchased a large site for a million dollar plant in St. Louis.

Brown-Boveri Elec-

tric Company has just purchased a tract upon which they will build a \$1,000,000 plant for manufacturing electrical machinery. The Century Electric Company has acquired at a cost of half a million dollars, an additional tract and intends to immediately start construction on the first of several building units.

In one industrial section alone, the new plants constructed or in process of erection, including those of the General Motors Company, represent an expenditure in excess of \$75,000,000. This gives employment to 25,000 additional workers—furnishing comfortable maintenance for a population equal to a city of 100,000—another Schenectady.

It is such facts as these that are attracting national advertisers to this unusually active and increasingly prosperous market.

The St. Louis Post-Dispatch reaches more People with more Dollars with a greater

Coverage of "The Billionarea" than any other newspaper. Its coverage is so complete that this one newspaper alone taps the unusual buying power of practically every worth while home in the Greater St. Louis Market.

The fact that both local and national advertisers recognize the Post-Dispatch as the most powerful selling force in the Greater St. Louis Market is proved by its volume of advertising—almost equal to that of all other St. Louis newspapers combined.

P+D+C—The Advertiser's Micrometer of a Newspaper—describes the basic method of measuring a newspaper in relation to a market. Send for this book and for Book of Information about "The Billionarea"—Greater St. Louis Market. Both free.

Address St. Louis Post-Dispatch, St. Louis.

ST. LOUIS POST-DISPATCH

The highest ranking P + D + C newspaper of "The BILLIONAREA"—the Greater St. Louis Market

The Map of the Nation's Business



The Business Map of Last Month



The Map of a Year Ago



By **FRANK GREENE**

Managing Editor, "Bradstreet's"

A CURIOUS interplay of opposing forces was visible during April, which, linked with the fact that a year ago in the same period saw some rather marked reactions, renders it difficult to make a characterization of that month's standing in trade and industry that is at the one time general and accurate.

In purely trade lines something like a "step down" was seen, or, if this is not exactly accurate, it may be said that weather conditions prevented the decided "step up" that was hoped for. Industry also moved irregularly as witnessed for one instance in a new high peak for a year being made in

pig iron production, whereas steel mill operations and pig iron and some steel quotations declined from the March level.

Building, too, showed a sag in value of permits taken out; export trade in grain and cotton continued to shrink, as did prices for those products; and an agreement to curtail southern cotton mill operations was reported, this latter line showing a slight net decline in goods prices while silks and woolsens and their raw materials sagged in price or in output.

Automobile production showed a slight decline from the output of March.

Finally, the general level of all commodi-

ties, influenced by rubber, textiles, leather, naval stores and lumber, went lower.

On the favorable side it might be noted that the stock market, which undoubtedly aided in the spread of pessimistic feeling by its big break in March, rallied during the month under review, this being helped by marked ease in money, which likewise aided the bond market. The speculative ship's burden was lightened, and the money market likewise was helped a good deal by the reduction in brokers' loans of \$687,000,000 in the period from the middle of February to the middle of April.

Over the month under review the net trend

ANNOUNCING

The Burroughs Portable Adding Machine

\$100

*Delivered in U.S.A.
Easy terms if desired*



Adds to \$1,000,000.00

Standard visible keyboard.

Right hand control.

Slightly larger than a letterhead.

Easily carried from counter to office, desk to desk, or business to home.

Backed by Burroughs nation-wide service.

In eight months, 22,326 Burroughs Portable Adding Machines have been sold. These machines are giving such satisfaction that re-orders are coming in daily. For demonstration of this machine call the local Burroughs office or write to—

BURROUGHS ADDING MACHINE COMPANY
DETROIT MICHIGAN

22,326 BURROUGHS PORTABLE ADDING MACHINES ALREADY SOLD

of trade, as reflected in the weekly and monthly returns, showed a slight sag from March in value of sales, some of which may have been due to one business day less figuring in the reports for April as opposed to March but mainly because unseasonable weather held down final distribution.

Wholesale Trade Shows Gain

AS COMPARED with a year ago, wholesale trade showed a gain, whereas retail trade showed rather less favorably. Even here a distinction must be drawn between the reports as to mail order, chain store and department store sales which showed best results, whereas reports as to small retail trade were less favorable. Industry seemed on the whole to maintain the superiority over a year ago, and over trade distribution proper, noted in earlier months. Failures were more numerous than a year ago in April, and the number of bank suspensions, most of these in rural districts, remained quite large. Collections showed up relatively less favorably than did actual trade.

The Federal Reserve Bank report of department store sales shows a decrease of 2.1 per cent from April a year ago with eight out of twelve districts reporting decreases, this partially because of Easter buying coming mainly in April a year ago.

Weather conditions made for a very mixed set of crop reports as the month advanced. The southwest and northwest almost exactly changed places as compared with a year ago. Plentiful moisture in Texas, Oklahoma and Kansas, where a year ago it was lacking, caused some very optimistic estimates of winter wheat to issue from the three states mentioned, the first two predicting record yields.

The May delivery of wheat showed some sharp advances and later declines before

the British strike entered as a factor into the case, but the net trend was downward, although the congested condition of that delivery promised speculative fireworks at one time. Pacific coast crop reports were good, this applying to both fruits and grains owing to plentiful moisture.

The cotton crop season was conceded to be late, as was the general crop situation in most northern areas owing to the lingering of cold weather. Some large potato growing areas reported snow covering the fields as late as early May.

Winter wheat prospects as of May 1, viewed by western exports and averaged, point to a possible yield of 561,000,000 bushels as against 530,000,000 bushels indicated by the April 1 condition figures and 398,000,000 bushels harvested last year. The area abandoned is placed at about 6 per cent, and the area left in wheat is about 37,000,000 acres. Of the 175,000,000 bushels gain indicated above, 150,000,000 is credited to Kansas, Nebraska, Oklahoma and Texas.

Pig iron production in April, 3,450,122 tons, was 9,000 tons ahead of March, largest since March, 1925, when 3,564,874 tons were turned out but was well below the 3,867,604 tons of May, 1925. April automobile and truck output as estimated by the National Automobile Chamber of Commerce totalled 449,173, a decrease of only 504 from March. The Department of Commerce reported 426,557 cars and trucks in March, a total second only to October, when it was 436,871. An interesting calculation made by the National City Bank of New York indicates that practically all of the 1925 excess over 1924 went into export trade.

Cotton consumption in March broke all records with 634,993 bales used, but reports of probable agreement on curtailment in May followed promptly on the publica-

tion of this total. Cement production in March was a million tons below March a year ago, and some cement interests call attention to calculations that show present or soon to be present productive capacity, as more than ample for all possible or prospective needs based upon building or road construction activities.

Reports as to April building permits point to decreases of possibly 5 per cent from March and of 1 per cent from April a year ago.

The March excess of merchandise imports over exports, chiefly raw materials, was \$70,000,000, the greatest excess on record for any month. Of the \$78,000,000 decrease in all exports in March from the like month of 1925, \$45,000,000 was contributed by cotton and cotton goods and \$24,000,000 by grains or grain products, mainly wheat and wheat flour.

Petroleum Production Gains

DOMESTIC production and total consumption of petroleum in March was the largest since December and a little larger than a year ago; stocks on hand decreased slightly and are the lowest in, at least, three years. Gasoline production in March was the largest since last August, and stocks rose heavily in preparation for the busy season. Prices have stiffened over the month. Soft coal production for the year to date is 15.5 per cent ahead of last year, this mainly due to the strike in the anthracite fields.

Mail order sales (two houses) for four months exceed a year ago by 10 per cent of those of the like period a year ago and exceed the first four months of 1920 by 3.2 per cent. Chain store sales for four months exceed a year ago by 10 per cent. Department store sales for three months ending with March exceeded a year ago by 5 per cent.

What the World of Finance Talks Of

By M. S. RUKEYSER

BUSINESS has recently declared its independence of the stock market.

Coincident with the drop in speculative security prices which followed the prolonged rise, numerous oracles announced that business had become divorced from the stock market. The practical significance of the assertion was that business might ignore the downward movement in securities.

The force in which the new dualism has been expressed is novel, but at various times in the past the business world has been loath to heed warnings from the stock exchange. When current orders exceed productive capacity, the business man is in no frame of mind to become pessimistic, but the stock market is inclined to look ahead.

To assume that the business world and the stockmarket are following distinct and separate paths is to fly in the face of the teachings of financial history. The stock market, of course, is not, and never has been, an entirely satisfactory barometer of business. It constitutes a factor, however, which deserves consideration in appraising the prospects for profits in the whole miscellany of mercantile lines.

There are at least two good reasons why it is unlikely that business will follow the pattern of recent speculative movements.

In the first place, good management in

the field of business during the recent cycle obviated an inflation which corresponded with the unreasonable boosting of speculative security and real estate prices. Accordingly, there is less need for corrective movements in trade. Hand-to-mouth buying kept inventories relatively low, and there is safety in the lack of huge accumulated supplies. Unprecedentedly efficient transportation service has brought consumption closer to production, and the memories of the mistakes of the years 1919-1920 have left tradesmen indisposed to discount future prosperity by speculating in merchandise.

In the second place, with half the world's gold supply hoarded in American banks, the hazard of a credit shortage simply does not exist. In normal cycles, the end of a speculative movement is caused by a tightening of the money reins. This chills speculative fervor first, and then the enthusiasm of business men. Since the same basic factor of money supply determines the ultimate course of upward flights of both speculative and trade movements ordinarily, speculation and business have in the past frequently followed parallel courses, although trade usually has lagged somewhat behind the stock market. The colossal gold reserves eliminate the possibility of a credit shortage, and both

the speculative and trade movements will be determined in this current situation by other influences.

As a matter of fact, overspeculation had within itself the seeds of a corrective movement.

The lack of similar excesses in business breaks the parallel.

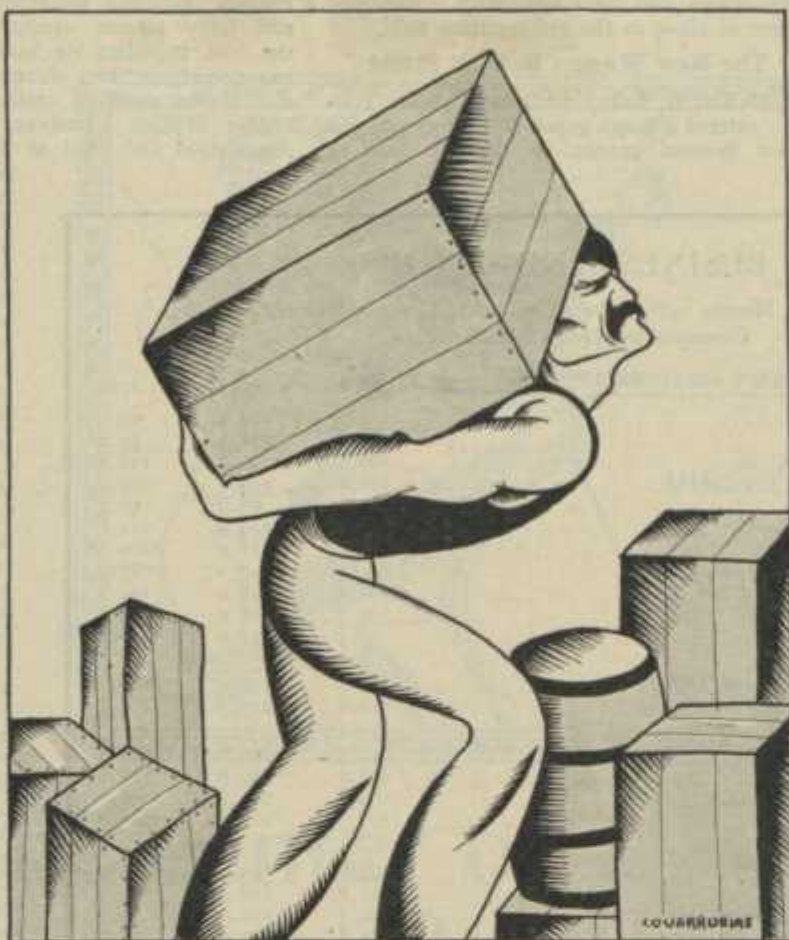
Occasionally violent and somewhat panicky declines at the Stock Exchange thus far this year have served to remind the public that speculation is strong meat, suitable only for those with iron constitutions.

Spectacular and unreasoning flights in either direction represent emotionalism in finance—the resultant of activity by amateurs who do not grasp the fundamental factors which determine values.

In periods of extensive speculation on the part of the public, psychology is an important price-determining factor, and finance, as one banker observed, is like an old lady with shaken nerves. The erratic ups and downs help to impair confidence in the economic validity of the whole business of security trading.

They may even prove harmful around the world to New York in its new rôle as universal banker and financial center.

In philosophizing about the effect of the jazz spirit of the American speculative mar-



Carrying the White Man's Burden

WHY should men sweat away their lives under needless work? Why make men who enjoy life (like you and me) beasts of burden? It is brutal. It is costly. Eighty percent of the men engaged in handling materials in American industries are capable of better things. Give the unskilled laborer a chance. *There is a better way.*

Skilled laborers are given power tools. Why not the unskilled laborer? Study the "Clark Theory of Labor Economy" and see if you can apply it to your business. The coupon will bring you the booklet free.

CLARK TRUCTRACKER CO., 1127 Days Ave. Buchanan, Mich.	
Please mail me copy of your book "Clark Theory of Labor Economy";	
Name	
Company	
Street	
City	
We employ unskilled laborers	

CLARK TRUCTRACKER COMPANY

Gasoline Propelled Vehicles for Industrial Haulage

1127 Days Avenue, Buchanan, Michigan

ket place on New York's banking reputation. Otto H. Kahn, world banker and patron of the arts, remarked:

"It is a regrettable spectacle to see people lose their heads and their money in this manner, and it happens altogether too frequently. To speak only of the recent past, a swing of the stock market pendulum, approaching and, in one year, even exceeding in violence that of March, 1926, occurred in each one of the years 1923, 1924, and 1925.

"If we are to maintain that leading place among the great financial centers of the world to which we are entitled, it is incumbent upon us to demonstrate self-assurance and steadiness, and to avoid recurrent exhibitions of alternating ebullition and perturbation.

"A readjustment of stock prices from the giddy height to which some of them had been recklessly pushed was called for and salutary. But it should have been an orderly falling back, not a panicky rout."

Spring Fashions in Investment

THE INVESTOR is as fickle in his tastes as a woman in the selection of clothes. Fashions in stocks and bonds rise and fall through the years. Two or three years ago, the prevalent fad was in radio promotions. The mere name radio would instantly captivate the ordinary security buyer, and many issues were floated without any adequate basis in assets and prospects.

These mistakes, in a number of instances, have recently been paid for in the bankruptcy courts. At the heights of the radio boom it appeared, as one observer remarked, as if a share of radio stock were being issued for every receiving set sold. The infant industry soon became overcrowded, and many concerns have already discontinued.

At the end of 1924 the securities of eighteen of the larger radio companies had a market value of \$161,367,384. In the middle of April, 1926, the same securities had a market value of \$65,085,734 representing a loss of \$96,281,650 in eighteen months.

The newest vogue is in shares of refrigerator companies, and shares of gas refrigera-

tion companies are the last words. The future of this new industry seems brilliant, and the well-managed companies are likely to succeed. But the public enthusiasm in this direction inevitably encourages unsound promotions, and there is already evidence of some of these in the refrigeration field.

The New Woman in Wall Street

FINANCE has traditionally been considered a man's game, but the rise of the New Woman cannot be stopped even in

but gradually the most obstinate veterans are coming to recognize that women are people even in the financial district.

The Association of Bank Women, a national organization, has doubled its membership in the last two years. One hundred and forty women executives are now in the fold, including six bank presidents, two vice-presidents, two directors, five cashiers and fifteen assistant cashiers.

Mrs. William Laimbeer, president of the Association and head of the Women's De-

partment of the National City Bank of New York, the largest bank in the country, said, in explaining the new vocation for women, "certain aspects of banking need the personal touch, and women are more personal than men. Intuition and sympathy have their value in banking, especially as far as women depositors are concerned."

Most women bankers find it easier to do business with men than with women. Some women customers insist on dealing with male officers, lacking confidence in the pioneers of their own sex. A woman sales manager of a large bond house told me that her customers are almost exclusively men.

Directions for Vice-president

COLLEGES and high schools of the country are about to harvest their annual crop of hopeful graduates, and many of them no doubt will drift into banking.

Since the war, American universities have accepted finance and trade into the company of academic subjects meriting higher learning, and scores of

schools of business have been established. Professors of banking have evolved an elaborate body of theories which would startle numerous practical financiers who are doing pretty well without having received formal training.

Men who run the big banks work along simpler lines. According to Wall Street legend, when Jackson Reynolds, who had formerly been a law teacher and lawyer, took a desk as vice-president of the First National Bank of New York, he asked what

BUSINESS INDICATORS

First 4 Months 1926, or Latest 4 Months, Compared with Corresponding Period in Earlier Years

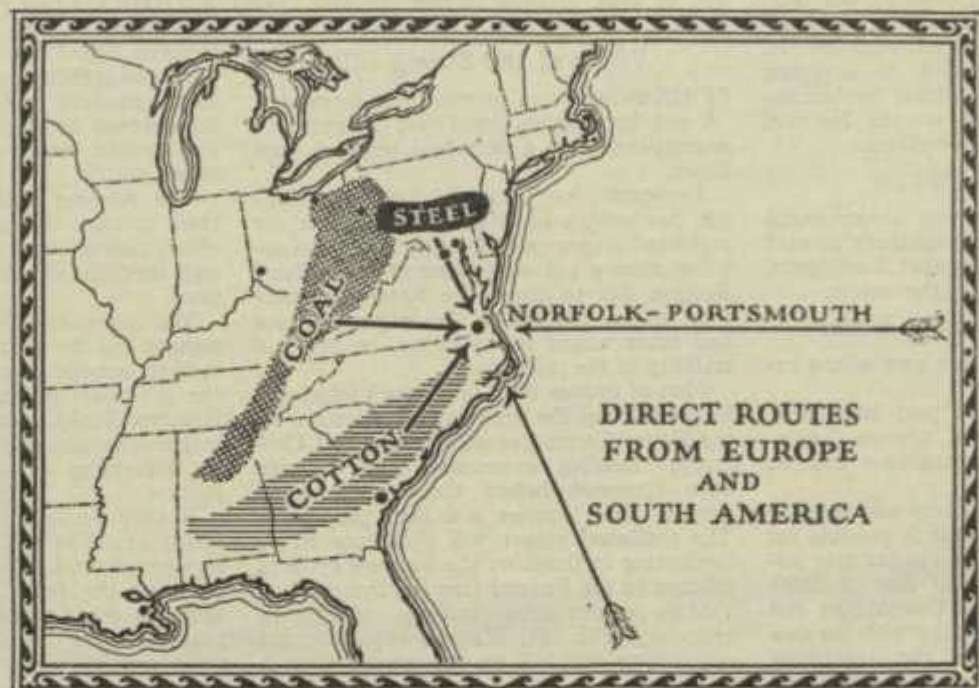
	1923 = 100%	1926	1925	1924
Production				
Pig Iron.....		100.7	102.1	97.2
Steel Ingots.....		111.9	107.1	99.1
Copper (Mine Output, U. S.).....		118.8	129.8	118.9
Zinc.....		120.8	109.5	104.2
Coal (Bituminous).....		101.6	86.3	91.2
Petroleum.....		112.9	110.9	111.6
Electrical Energy.....		130.7	116.9	109.5
Cotton Consumption.....		101.3	97.0	87.3
Automobile Production.....		129.4	98.9	124.4
Rubber Tires.....		119.5	118.9	96.6
Cement—Portland.....		105.5	111.0	108.6
Construction				
Contracts Awarded (36 States) Dollars.....		149.0	124.3	116.0
Contracts Awarded (36 States) Sq. Ft.....		116.6	105.3	109.5
Labor				
Factory Employment (U. S.).....		94.5	92.9	98.4
Factory Payroll (U. S.).....		103.5	99.6	104.6
Wages—Per Capita—New York.....		109.8	107.2	106.0
Cost of Living.....		107.3	104.8	103.7
Transportation				
Operating Revenues.....		106.9	104.4	105.7
Net Operating Income.....		115.8	118.5	126.5
Freight Car Loadings.....		104.5	102.6	99.9
Net Ton Miles.....		104.8	99.2	98.1
Trade—Domestic				
Mail Order House Sales.....		131.0	120.2	107.9
Department Stores Sales.....		114.3	107.1	104.8
Wholesale Trade.....		102.6	101.3	100.0
Chain Stores.....		143.0	126.7	113.0
Trade—Foreign				
Exports.....		120.0	129.3	115.0
Imports.....		124.4	105.6	93.4
Finance				
Debits—New York City.....		141.3	120.0	100.1
Debits—Outside.....		119.2	110.2	99.6
Failures—Number.....		128.8	127.6	112.3
Failures—Liabilities.....		74.8	72.2	95.0
Stock Prices—20 Industrials.....		148.6	119.3	94.8
Stock Prices—20 Railroads.....		124.3	111.9	92.9
Shares Traded In.....		182.3	155.3	93.9
Bond Prices—40 Bonds.....		108.5	105.3	100.2
Bond Sales.....		104.0	117.7	108.9
New Securities Issued.....		97.9	92.7	64.0
Interest Rates—4 to 6 mos. Commercial Paper.....		87.2	78.0	96.5
Wholesale Prices				
U. S. B. of L. S.....		98.5	101.7	96.2
Bradstreet's.....		98.1	100.1	94.1
Dun's.....		101.1	103.9	98.6
Fisher's.....		95.2	98.5	91.6

Prepared for NATION'S BUSINESS by Statistical Department, Western Electric Company, Inc.

Wall Street. In the financial district, women are no longer content to play only the subordinate roles of stenographers, secretaries and clerks. One by one they have entered the sacred precincts of executive offices in banks and bond houses—quietly and unobtrusively. Women of capacity are demonstrating that the elusive facts of the money markets are not beyond the grasp of the feminine mind.

Wall Street clings to its traditions, yielding only slowly to significant social changes,

NORFOLK



the center of RAW MATERIALS

TO industries requiring large supplies of raw materials—the Norfolk Portsmouth area of Virginia offers great opportunities for economical production.

Situated just half-way down the Atlantic Coast, Norfolk is centrally located to huge supplies of coal—lumber—cotton—steel and tobacco. Eight great railway systems bring these materials by quick, short hauls to Norfolk's industries.

By sea, direct routes from the West Indies, South America and Europe afford a constant supply of sugar, molasses, rubber, iron ore, fertilizer materials and coffee.

This favored geographical location is today the second port on the Atlantic Coast and a great center of industrial progress.

Power—fuel—water are abundant at Norfolk and at lowest cost. Labor is high class and contented. Less than 5% of the population is of foreign birth. A mild climate permits of year round operation of outdoor industries.

NORFOLK'S abundant acreage provides unexcelled plant sites at moderate cost. A One Million Dollar Revolving Fund is available to responsible organizations for assistance in the financing of industrial sites and buildings.

Our industrial engineers will be glad to discuss with you the problems relating to your own industry. All inquiries will be held in confidence. Address the Norfolk-Portsmouth Industrial Commission, Dept. E, Chamber of Commerce, Norfolk, Va.

NORFOLK-PORTSMOUTH

Chamber of Commerce

he was supposed to do. George F. Baker replied: "Just don't do anything unreasonable." Evidently Mr. Reynolds followed this sage advice, for a few years later he became president of the bank.

And yet, with New York established as a world financial center, banking is becoming more complex, and increased reliance is being placed on research. Most of the large banks have employed economists in an advisory capacity. Even the self-schooled Mr. Baker recognized the value of academic training in finance and business by bestowing a liberal endowment on the Harvard School of Business Administration.

Finance and Politics

IN SPITE of the looming congressional elections, Wall Street is apathetic toward politics because it assumes that Coolidgeism, which it admires, is still in the saddle.

The Railroads Breathe Easier

RAILROAD securities are now selling ex-politics.

Investors in the recent past have been less restrained by fears of adverse legislation or regulation of the railroads than at any time since 1910.

The railroads as a whole have only recently got into a stride which made it possible for them to benefit from the constructive aspects of the Transportation Act of 1920. The Interstate Commerce Commission has given evidence of its sympathy with the new legislation, which charges the regulatory body not only with protecting shippers and passengers from unreasonable rates but also with safeguarding the railroads from insolvency.

With this favorable political background, railroad management has sought to regain prestige through the publicity value of heightened efficiency. As a result of operating economies and improvement in the physical condition of the rails and the rolling stock, the railroads as a whole are giving better service than ever before in the past.

As a result, cautious capital, which fled from railroad securities between 1910 and 1922, has been gradually flowing back. Though no longer considered the only type of standard investment, railroad securities are regaining the favor of investors. High-grade railroad bonds have been so avidly bought by savings banks and insurance companies that the yield has become too low to attract the ordinary individual, who, instead, has turned increasingly to the common and preferred stocks of the stronger systems.

The revival of confidence in the securities of the better grade railroads appears to be justified by condi-

tions. Although the immediate price trend will depend on earning power, which hinges in part on the general course of business, it is evident that railroad securities are in a new status. Even if in the course of the business cycle a genuine bear, or declining market should develop, it is wholly unlikely that the good railroad securities will dip as low as they reached in the previous bear cycle.

Views of the Strong Bill

THE swings from prosperity to depression and back again, seem less desirable to romanticists than a perpetual reign of good times.

Representative James G. Strong, of Kansas, has sought to write the aspiration for stabilized prosperity into legislation. The so-called Strong bill would amend the Federal Reserve Act to direct the Reserve authorities to use changes in the rediscount rate and other means in its power, to promote stability of the price level.

Men of finance have been much interested in the bill and the resultant investigation by the House Committee on Banking and Currency. Leading economists and bankers have appeared before the committee to espouse their theories and their prejudices. The published report will constitute an illuminating textbook on the business cycle in relation to the Federal Reserve System.

Most conservative bankers, though in sympathy with Mr. Strong's objective, are opposed to the bill on the ground that it will raise false hopes on the part of the public and ultimately make the Federal Reserve Board the scapegoat. The opponents of the bill think that the Board would lack the power to carry out the new mandate. They liken the proposition to a law instructing the Weather Bureau to eliminate rain on Sundays.

Whether the bill fails or succeeds, the issue will not down. It more properly remains a problem for theoretical economists at pres-

ent. Ultimately, the human race will attempt through intelligence to overcome the various imperfections in this chaotic world. That the race has its limitations is not to be doubted, but invention is frequently stimulated by flirting with the moon.

But Stability Is Increasing

IN THE last four years, without specific instructions from Congress, the Federal Reserve Board has quietly been aiming at increased stability in the business world. It has been only partly successful, although its aim was no doubt to contribute toward stabilization rather than to attain any absolute goal.

The Reserve authorities have expressed their policies through publicity and moral effect, through changes in the discount rate, and through so-called open-market operations.

The last named is perhaps the most important and the least understood. The open-market committee consists of appointees of the governors of the five Eastern Federal Reserve Banks, who decide whether the major objectives of the system will be helped by increasing or decreasing the money supply.

If they desire to increase the supply of credit available on the open market, they buy government obligations and acceptances, releasing the funds previously invested in them by other holders for general business purposes. On the other hand, if they wish to reduce the supply of free money, they sell government obligations and let acceptances run out without substituting new ones for bills that have matured.

In the matter of discount rates, the Federal Reserve banks follow the procession in the open market rather than exert leadership. There are, however, exceptional circumstances where corrective action is deemed necessary, but ordinarily the course of the discount rates of the central banks follows the rise and fall of open market

rates on prime commercial paper and bankers' acceptances. That custom has prevailed since 1910. In 1919, however, the Reserve authorities, at the behest of the Treasury, kept discount rates artificially low in order to fulfill pledges to those who borrowed to buy Victory Notes.

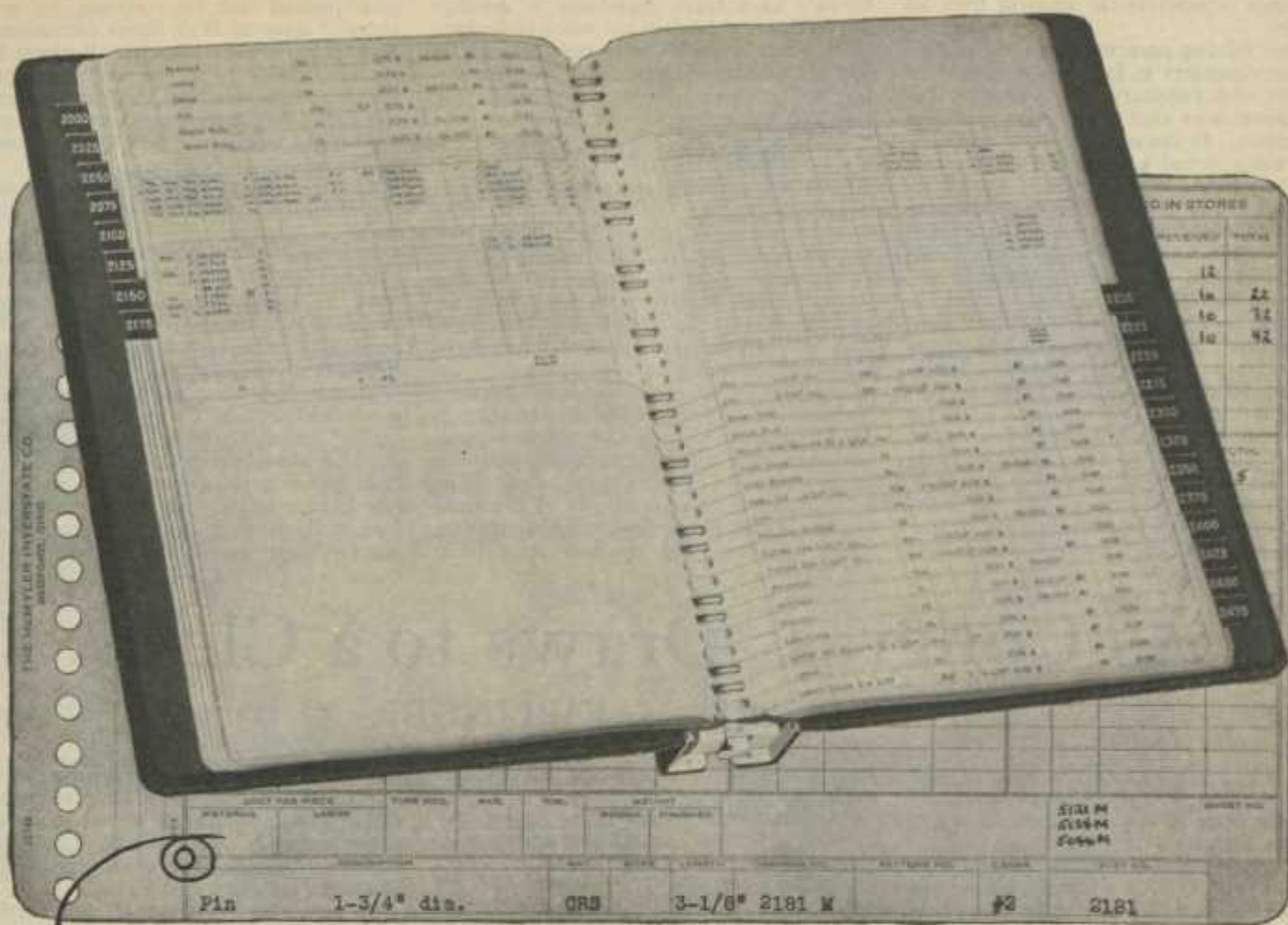
The Watch on the Pocketbook

WIDELY diffused prosperity of the United States has increased the urge and the capacity of the average man to invest money.

This new phenomena of mass prosperity not only resulted in a wider distribution of the securities of all large and prosperous companies among the general public but also it



An artist's conception of one of America's earliest commercial adventurers, Adrian Block.



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quicken efforts on the part of security charlatans to separate the amateur from his savings.

Fraud fighting agencies consisting of blue sky commissioners in forty states, postal inspectors and voluntary better-business bureaus were more alert in the past year than ever before. In the southern district of New York alone, fraud actions led to aggregate prison sentences of 273 years for 81 individuals. The sentences ranged from 30 days to 12½ years. Moreover, state officials in New York, operating under the Martin Anti-Fraud Act, conducted more than 100 successful actions, mainly preventive in character.

Modern vigilante methods, put into action by bankers in the states where bank robbery has flourished, resulted in a rapid falling off in crimes of violence which, during the last six months, were cut to fewer than half of those reported for a corresponding period last year.

The constructive elements in the community now have a better technique for detecting and punishing financial frauds and

crimes than in the past. Business men and bankers have taken leadership in developing defensive action against white collar bandits. Their activities will result not only in partial diversion of thrift funds from fraudulent to legitimate investment channels but also in a marked service to the public.

This Business of Traveling

EUROPE is finding more than one way to discharge its obligations. The Old World is paying off its war debt to the New in part by letting American tourists inspect classic paintings at the Louvre or visit Napoleon's tomb or have audiences with the Pope in Rome. It is estimated that more than one-half million Americans will make a summer resort of Europe this year.

Tourism is a great growing industry. Through its traveling citizenry, America is importing, in ever-increasing quantities, new sensations and impressions concerning the art and general culture of Europe. The colossal aggregate expenditures of American tourists overseas constitute a significant item which radically alters the balance of trade

among nations. Summer is, of course, the most popular time for traveling, but an increasing array of Wall Street executives are also taking winter vacations. Business leaders are relying to an increasing extent on their organizations, and the current generation of leaders is less inclined than its predecessors to feel that it must be continuously on the job.

Executives who brag that they have not had a vacation in thirty years are becoming fewer in number.

The late J. Pierpont Morgan once remarked: "A man can't do twelve months work in twelve months; he can only do twelve months work in ten months." This point of view is becoming more widely accepted than ever before.

Moreover, with New York underwriting more foreign loans than in the past, bankers feel inclined to travel extensively and to get first hand impressions of foreign conditions. One large banking house makes it a rule to have at least one partner visit all the foreign countries in which the house is interested, at least once a year.

As Congress Draws to a Close

By WILLARD M. KIPLINGER

AT THIS writing, in the second week of May, the date of adjournment of Congress is uncertain as is its action on many important measures.

Still, it is possible to sum up some of its good works both of commission and omission and consider what may be accomplished.

For background, consider that this is the Congress which sat during a period of industrial prosperity slightly on the wane, of continued dissatisfaction of agriculture, of steady improvement in international relations, of a prolonged anthracite coal strike.

For the nature of this Congress, remember it as essentially conservative, without especially strong party leadership on either side, the House safely Republican and working like a machine, the Senate nominally Republican but less regular and less conservative than the House.

For accomplishments, this Congress must in the end be judged not merely by the bills it has passed but by the tremendous amount of committee labor carried on, the hearings held, the jobs of thinking partly done, to be finished at the next session. It has been as hard working a body as any in ten years, and on the whole there has been less "cussing" of Congress than usual. Taking high points only, this is the Congress which—

Reduced taxes, a normal and inevitable result of the times.

Put the United States in the World Court after a real battle echoing the League of Nations' issue.

Approved the Italian debt settlement, and other less controversial foreign debt agreements, leaving the French debt for later consideration and debate.

Stood pat on tariff, without any real pressure to do otherwise.

Wrestled with agricultural relief legislation—the outcome being now uncertain. When history is written, this fight for government aid in the marketing of farm products will be by far the most significant economic aspect of the session.

Put off to next year the tremendously im-

portant question of encouraging railroad consolidation.

Set up new legal machinery for settling railroad labor disputes.

Laid the basis for rechartering of federal reserve banks, for giving national banks the legal privilege of branches, and otherwise making national bank charters more attractive.

Helped the development of commercial aviation.

Failed to settle the future of Muscle Shoals, but fairly well determined that it is to be leased for private operation, to produce both power and nitrates.

Passed a number of measures benefitting our foreign trade and foreign political relations.

Did nothing significant about the American merchant marine.

Left in effect the high postal rates established more than a year ago in the postal wage increase emergency.

Found itself in a terrific quandary on how to regulate radio broadcasting.

Did nothing about the coal industry, despite the anthracite strike.

Put off to next year the liquidation of German and American war claims.

Gave federal judges long-merited salary increases.

Increased Spanish war pensions.

Made annual government appropriations, with budget machinery working smoothly, with a minimum of old-time pork barrel and log-rolling influence. It is a safe guess that the low point of government expenses has been passed, that future big tax reductions are a long time in the future, that hopes are small for a material tax cut preceding presidential elections two years hence.

There you have the list of Class A issues. Many measures of secondary importance to business in general have been considered, a few have already been passed, many have had extensive committee hearings and will be taken up at the second session of the same Congress. This opens next December, closes next March 4, allowing only three months, and really only two months for effective work. Due to shortness of time, it is a perfectly sound conclusion that not many bills which failed of final enactment at

this session can be passed next session.

More than 16,000 bills have been introduced in five months, a record in congressional history, but of no great fundamental significance. Most sleep undisturbed in committee pigeonholes.

A large proportion of all bills actively considered bear directly upon business, or have distinctly economic aspects. Social issues have been few, with prohibition the outstanding example. Purely political issues, if there is such a thing as distinguished from economic issues, have not been very active.

Some men are alarmed that the federal government is encroaching more and more on the field of private business by regulation or otherwise. This is undoubtedly true, but you should bear in mind that special purpose groups themselves are the authors of practically all important bills in Congress, that comparatively few measures originate in the minds of legislators, that most congressional issues represent simply the competitive interests of groups transferred to the forum of Congress. Some month, when I have space, I shall cite you a gross of specific examples to prove this.

On tactics within Congress, let me offer these observations: It is not opposition which kills bills, but inertia, the time element, the terrific busyness of this body of popular representatives. Congress quite effectually sifts the wheat from the chaff, not always on merit, but on a combination basis of merit plus organized support.

You cannot hope to get a bill of general importance through Congress just because it is a "good bill." Many try this in vain, and curse Congress futilely. Washington lobbyists fail more often than they succeed, because they mistake the enthusiasm displayed in the hotel-room conferences for the feeling throughout the country. The best place to "lobby" is back home. The best way to kill a bill is to maneuver for delay until near the session's end and force it to lie over.

This may happen to the same bill year after year. Another good way is to put

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*Cooling off Bus Tires
at a California Bus Stop*

Heat from high speed has ruined more tubes than have punctures and hard wear.

INDIA'S True-Blue (HEAT-PROOF) Inner Tube with the Sure-Vulc Splice is the first to successfully overcome this "burning up" of tubes under high-speed conditions.

This new type of tube developed by INDIA makes INDIA tires for passenger cars or heavy service give even greater records of uninterrupted mileage.

To try INDIA Tires with True-Blue (HEAT-PROOF) Inner Tubes will give you a new idea of tire economy.

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up a substitute bill, a rival, and let the two compete for favor until both go into hibernation at the session's end.

Overshadowing all other issues, even taxes and tariff, is the long fought proposal of farmers that they be permitted in some way to determine the prices at which they will sell their products within the United States, instead of having these

Agriculture prices set for them by the laws of world supply and demand. It is the latest and perhaps the most significant of all demands of organized agriculture in the last six years, some of the earlier steps being laws on warehousing, exemption of cooperatives from anti-trust laws, the so-called emergency tariff on certain agricultural products, regulation of dealers and exchanges, War Finance Corporation loans, and intermediate credits. This latest proposal relates to marketing, to which the world's attention is turning, as distinguished from production.

There has been little dispute on the general aim, but fundamental differences have arisen over method.

The aim: To raise and stabilize domestic prices at index levels comparable to the prices of manufactured articles which farmers buy, many of which, the farmers assert, are artificially high because of the tariff. To deal with exportable surpluses in such a way that they will not depress domestic prices, to sell them for what they will bring in world markets, but to sell in domestic markets at prices well above cost of production, maintaining if necessary a differential between domestic and world prices.

The method: To declare in "emergency years," whenever there are considerable export surpluses of specified commodities, that such-and-such a quantity of the commodity constitutes the exportable surplus. To segregate this, and take it out of competition with the supply for sale within the United States. Thus to raise domestic prices (wheat by perhaps 40 cents or more a bushel). To cover losses incurred by buying at a high domestic price and selling at a lower world price, whether by cooperatives or by private exporters, out of a government fund (Haugen bill). To replenish this fund eventually from "equalization fees" which are excise taxes assessed against the product at the first stage of processing or manufacture (Haugen bill).

Or, as a different method (Tincher bill, in which the administration acquiesces), to make it possible for large national cooperative marketing associations, which would be developed in the course of a few years, to control the markets sufficiently to be able to dictate their own domestic prices at sufficient rates to compensate for any export losses and at the same time make the net return to producers profitable.

The machinery: A Federal Farm Board (Haugen bill), with power to declare the surpluses, fix the equalization fees, have the government collect these fees or taxes, and administer the export loss or "bounty" fund. Or, as an alternative, (Tincher bill), a Farmers' Marketing Commission to work closely with the cooperatives, helping them to declare and dispose of their own surpluses, and lending the co-ops capital for large scale operations necessary to build great new going businesses, with properties, storage, financing requirements, etc.

Both Haugen and Tincher plans contemplate, it is presumed, the raising of domestic prices to levels above world prices

and the passing on of the higher price to consumers (though there is some dispute on the latter point). The Haugen plan would have a government board adjust prices; the Tincher plan would provide government advice and assistance by which cooperatives could do something of the same thing.

The significance of the railroad labor bill is that it puts government boards in the business of adjusting, conciliating or arbitrating all classes of disputes between railway employees and managements, carrying further the idea represented by the Railroad Labor Board. The public, through its government, is given a definite though perhaps inadequate means of enforcing its interest in settling disputes which might interrupt service.

Some manufacturers fought the idea, because they feared extension of the system to industry.

Organized farmers were suspicious, because they dislike government participation in the making of wages which must be passed on to consumers in rates. Here is class legislation, they said, and the farmers want class legislation for themselves before any more of it is given to others. But expediency governs, dictated by the necessity of minimizing the dangers of strikes by railway unions, the most vigorous labor bodies in the United States. Another labor measure, workmen's compensation for the District of Columbia, a model system for application to the states, goes over to the next session.

Bankers proved themselves no more able to agree on their problems than any other class, when the McFadden branch-banking bill came to a crisis. State banks were pitted against national banks, California branch bankers against independent unit bankers throughout the United States, and all groups were split within themselves on details. The final fight focused on these two questions:

1. Should branch banking, within cities be fixed at the status quo, and discouraged from extension through enactment of future state laws? (Hull amendments, desired especially by Illinois.)

2. Should the charters of federal reserve banks be extended beyond 1935, when they expire? On the second point, there never was much real opposition in this Congress to extending the charters, especially after extensive hearings on the Strong bill. This bill itself, proposing to stabilize prices through operation of federal reserve rediscount rates, was not taken very seriously, but it was made the vehicle for hearings to consider the operations of the reserve system.

The bankruptcy system is reformed by a new bill. The federal blue-sky bill did not get to first base, because sentiment is not strongly organized behind it.

Railroads needed legislation to authorize reduction of the interest rate on the government's war-time loans to them, and to provide for refunding. The bill became all tangled up with measures advocated by other groups. Consolidation was too big a job to be tackled this session, but will be considered under pressure next year. Rate making by legislation was frowned upon by this Congress, but the question promises to be active in the next session. Reorgani-

zation of the Interstate Commerce Commission along regional lines is undoubtedly gaining support, and will be up in the future.

Congress did not know what to do about reorganizing the administration of the government ship administration, so it did nothing. Sectional feeling

Merchant Marine runs high in Congress on shipping policies, national feeling runs low, and though this is not in accord with the ideas of most shipping men, or of the administration, the fact must be faced. Shipping will be a job for the next session, but I doubt whether it will be given adequate consideration even then.

The Treasury made the mistake of devising its foreign claims liquidation bill without close current consultations with Congress, reminding one of the situation on the original ill-fated Mellon tax plan, and the earlier issue over the Versailles treaty. Consequently Congress balked at rushing it through, but probably some settlement will be effected next year.

Congress provided stability for the government's foreign trade scouting service of the Department of Commerce, by legalizing the status of trade commissioners, commercial attachés, etc. This will tend to draw and keep better men in the service. Provision was made for government acquisition of its embassies and legations abroad, thereby remedying a national shame. The bill to legalize combinations for import of raw materials never had a chance. Neither did the foreign trade zone bill. The bill to permit parcel post trade in cigars from Cuba goes over to next session.

Congress dallied with downward revision of postal rates until it was too late for deliberate consideration this session. The proposal to restrict government printing of envelopes fizzled, anyway for the time being. This was part of the program for getting the government out of competition with private business, a movement which started but temporarily lost its punch.

There is no doubt in my opinion, of the ultimate ratification of this in the form reported by the Debt Funding Commission, but on the day this is written it seems doubtful whether it will get through before the next session.

The bill for legalizing contracts to maintain standard retail prices of trade-marked merchandise received intelligent discussion, pro and con, before committee, and some members of Congress got their first understanding of the property rights of good-will in trade marked merchandise. But this is as far as it went. Merchandise misbranding bills are in the late session jam.

The public roads program will continue very much as in the past. Many new federal buildings in Washington and throughout the country will be constructed under new appropriations.



A page advertisement, in miniature, from the schedule of Marshall Field & Company in the Photogravure Section of The Chicago Daily News—the only photogravure section in Chicago used by Marshall Field & Company.

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This is different from other sticks in that the soap itself is gripped securely by a metal ring which screws snugly into the Holder Top. This means that the stick can't work loose in the holder—when worn down, the wafer of soap comes out cleanly.

This extraordinary soap works up quickly into rich, bulky shaving lather simply saturated with moisture. Soaks the beard soft for easy shaving.

We make Stick, Cream, Powder, Tablet—four forms—one lather—Williams.

Aqua Velva is our newest triumph—a scientific after-shaving preparation. A few drops keep the face like velvet all day. We will send a generous test bottle free. The J. B. Williams Co., Dept. 55, Glastonbury, Conn. (Canadian address, 1114 St. Patrick Street, Montreal.)



This diagram shows how the threaded metal ring on Williams reloads screws firmly into the Holder Top. Buy reloads—they cost less than the original stick.

Williams Holder Top Shaving Stick

Business, Builder of Virtues

By EVERETT W. LORD

Dean, College of Business Administration, Boston University



Everett W. Lord

THE world has always had a degree of commendation for the one who has given unselfish service, though too often the word of praise has been reserved for funeral orations and flowery epitaphs on modest tombstones.

Yet, when convinced of sincerity and altruistic purpose, the public has not withheld due recognition. The service of the soldier was evident; he, it was, who protected the home against invasion, guarded the women and the children from assault and made possible the development of all the arts. He it was, who extended the power of his country into foreign lands and demonstrated the superiority of his people over barbarian hordes. Why should he not be put upon a pedestal? Who would not sing "Arma virumque"? Throughout all time the true soldier deserves all the respect and all the honor that can be given him, and I, at least, would not detract one whit from the credit that is his due reward.

Other Types Are Honored

WITH the passing years other service types have been recognized; no one can deny laurels to the scientist who sacrifices his life in unselfish experimentation in the medical laboratory. Few could fail to respect the engineer who finds means for bringing great forces of nature into the service of mankind. Even the modest teacher and the humble college professor have been granted a modicum of praise—largely, perhaps, in lieu of payment more concrete in form, and more readily negotiable in the markets of the world. All these people have been recognized for their virtues; and their vocations have been looked upon as fertile soil in which such virtues promulgate themselves.

Only in recent years have we come to realize that the man of business needs an education deeper and broader than is to be obtained in the counting-house or at the desk of the ledger-clerk; but that truth is now fully accepted. In 1800 the proportion of college graduates going into business has been estimated at 5.6 per cent; in 1900 the number had risen to 19 per cent, and in 1925 it is at least 25 per cent.

And today, scientific method has been adopted by the business man. Without it, business could not have attained its present size and standing. The open-minded study of causes and effects, the practice of long continued experimentation, the analyzing and comparison of recorded data, which since the days of Newton and Descartes have been primary characteristics of the scientist, are equally characteristic of the modern business man. The assumptions on which his budget is based, if not as accurate as the astronomer's calculations of

planetary movements, are at least as certain as the physician's estimate of the effect of a drug on the human body. The effect of his advertising and letter-writing can pretty definitely be told in advance. Dealing, as he does, with his fellow men, there must be many uncertainties, for the human mind is the greatest of variables, yet the professor of psychology has been able, as a result of numberless experiments and deductions therefrom, to give the business man many dependable rules of action.

All this, you may say, is quite true, but what of those virtues which adorn the life and work of the preacher, the poet, the teacher, and the physi-

cian? Let me be quick to recognize the greatness and the virtue of such careers of service; I bow to Wesley and to Milton, to Horace Mann and to General Gorgas with all due reverence. But I am bold to say that I find in the practice of business, in the competition of commerce, no less of culture, no whit less of virtue.

What virtues are these that find their roots in commerce? I cannot name them all, but some few I will try to bring before you.

First and most clearly recognized shall we say that business is a builder of the ideal of truth. Business is an ultra-social occupation; its pursuit involves continual and intimate relations with others; on that account the business man soon learns the basic importance of this great virtue, and makes it the corner-stone of his character.

It is because of their reputation for truth, for honesty, that men like John Wanamaker and Marshall Field were trusted; and in a homelier picture, it is because they tell the truth that the mail-order catalogues from Chicago and New York have become vital elements in the life of millions of Americans in every state of the Union.

Frauds a Burden to Society

THE wolves and the jackals, seeking profit without rendering service, assume truth and honesty and succeed only as far as they can maintain the assumption. It is true that the cost of commercial dishonesty, like the cost of all crime, is a serious burden to society; yet the proportion of dishonest business is gratifyingly small—probably never approaching 2 per cent of the normal transactions of commerce.

No business house can look for success if it is not known to be dependable; if its statements regarding goods and conditions cannot be accepted without qualification; if its prices are not honestly adjusted. So the business man who must try for success, finds this preeminent virtue almost forced upon him. He must be a man of integrity.

Honesty is an outstanding characteristic of

the business man. Boston's great fire of 1872 provided a typical instance of what can be expected of business men. A bank with loans of \$1,250,000 outstanding lost not only all of its books of account, but its notes and negotiable paper as well. It had no evidence to prove who owed it money or the amounts due. But the banks' debtors, some of them seriously embarrassed because of property destroyed in the same fire, came promptly to the bank officials and made out new notes which covered all but \$10,000 of the original \$1,250,000.

A phase of this virtue which impresses itself upon the youngest employee is the importance of trustworthiness, which is only truth in action as well as in word. It has been my experience to receive many hundreds of applications from employers for assistants in their business, and I have never known one who did not rate, as the first essential, this virtue of trustworthiness. Other requirements may be discounted or even waived, but this one never. No worker, however slight his influence with the management, can hope either to progress or to retain his place so long as he lacks trustworthiness or fails to show his devotion to truth. Truth is the first of the virtues actually inculcated by business and the one of greatest significance.

Business Man Is Not Lucky

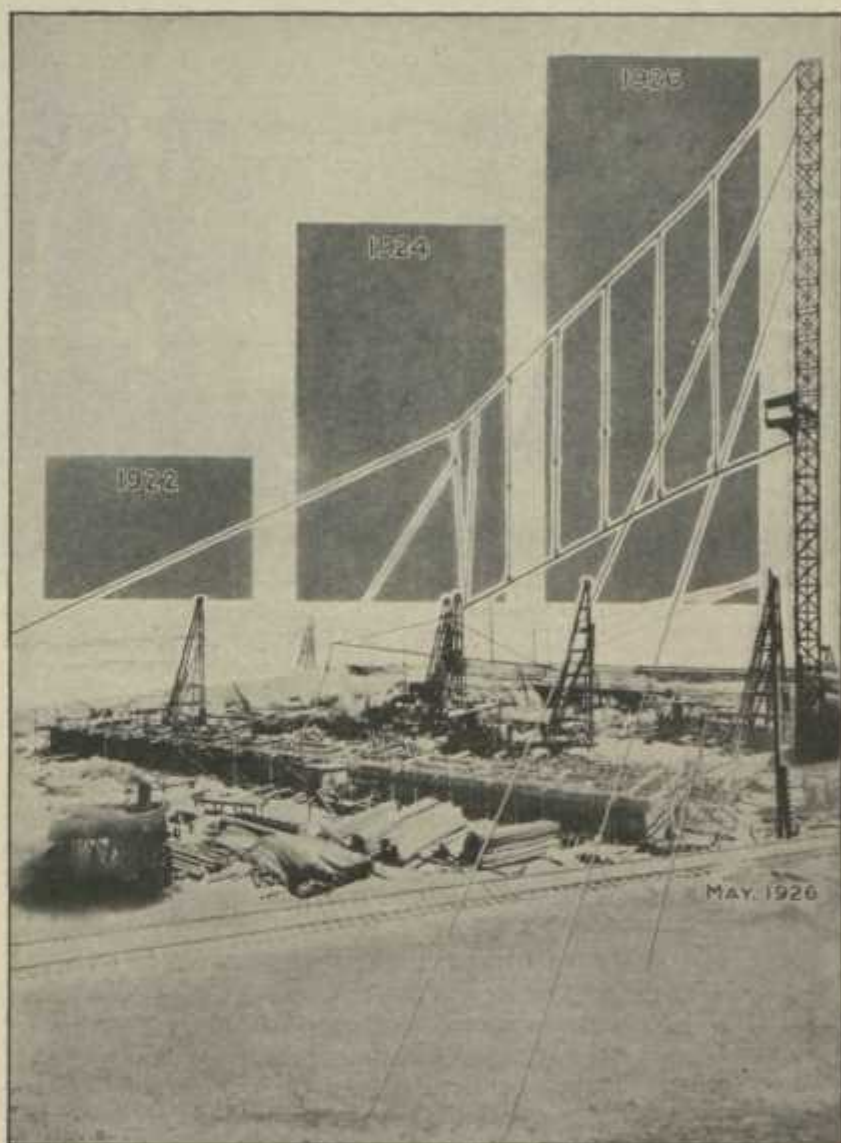
THE business man does not stumble upon a fortune; there is no possibility of his "striking oil" and having wealth poured upon him by the lavishness of nature. His success comes only as a result of unremitting, persistent effort—effort concentrated on the business in which he is engaged. It happens, then, that the virtue of persistence is one of the great principles inculcated by business. The lesson that must be learned is that of finding the good and holding fast to it—and this involves much more than merely "sticking to the job."

American business men are sometimes accused of a narrow concentration on their trade, of inability to think or talk of other subjects. It is not surprising if this should occasionally be true, for not every man knows how to meet the imperative demands of business without giving his entire self to the task. But persistence, concentration, does not mean absorption, and even the most eager business man finds time for family, friends, church and society. Persistence is a virtue; absorption is a vice. Business teaches persistence, shows it to be essential to success, but does not require the extravagance of absorption. The business man learns that he must not be indifferent to the many relations outside his vocation; such indifference would itself prove a serious handicap to his commercial progress.

One of the broadest of virtues may be designated as courtesy. By courtesy, a virtue distinctly induced by business, I mean much more than politeness, polish, or any surface exhibition of good manners. These are not unimportant, but they are not of such fundamental interest as genuine "heart action," the root meaning of courtesy.

In addition to these surface indications, I include under the head of courtesy all the relations between the individual and those about him; relations between employer and employee, such as methods of payment, working conditions, vacation allowances and recognition of organizations; relations between competitors, between the business man and his patrons or the public; and between co-workers.

Courtesy to patrons is an accepted fun-



WORK IN PROGRESS

Steam Power Stations equipped for burning all kinds of fuel, Water Power Developments, Transmission Lines, Industrial Plants, Buildings.

STONE & WEBSTER

INCORPORATED



NEW YORK, 120 Broadway
SAN FRANCISCO, Holbrook Bldg.

CHICAGO, 38 So. Dearborn St.
PHILADELPHIA, Real Estate Trust Bldg.

BOSTON, 147 Milk Street



Manufacturer

Superintendent

Owner

Contractor

Owner:

"Wait a minute—wait just a minute! All we want to know is—who's responsible?"

Manufacturer:

"It's up to the contractor. Our materials were O. K."

Contractor:

"Up to me nothing! My men did the best they could with what you gave us—it went bad on the job."

Superintendent:

"The old buck-passing game, which gets us—nowhere!"

IT TAKES only two people to "pass a buck." You know how it goes. If Factory & Co. manufactures a flooring and Layer & Co. (an independent contractor not responsible to Factory & Co.) lays the floor, then, when things go wrong—

Factory blames it on Layer; Layer blames it on Factory; and you get nowhere. Contrast these evasions with the straightforwardness of the **BONDED FLOORS** proposition—one responsibility from factory to finished floor.

One responsibility:—

1. Because we manufacture our own materials
—and manufacture them well.
2. Because we install these materials ourselves
—or through approved distributors for whose work we accept full responsibility.

Our responsibility begins at the factory—and it does not end when the last workman walks off the job. A *Surety Bond against repair expense* (issued by U. S. Fidelity & Guaranty Co.) is obtainable with every floor installed according to **BONDED FLOORS** specifications.

BONDED FLOORS COMPANY, INC.

New York Boston Philadelphia Cleveland Detroit San Francisco
Distributors in other principal cities

BONDED FLOORS

There are **BONDED FLOORS** to satisfy every business need, all of them quiet, economical, good looking and permanent. We'll be glad to give you further information.

When writing to **BONDED FLOORS COMPANY, INC.**, please mention *Nation's Business*

damental of business success. To his patrons and the public the business man's duty is reasonably clear. No one now doubts the wrong of the misrepresentation of quality, of unfair prices, of adulteration or of substitution, all of which were once commonly practiced. Ethical standards today are well established on these points. To succeed, the business man must develop and ever display this phase of courtesy.

Interest Shown in Old Firms

WHEN Mark Sullivan wrote a series of articles entitled "America's Century-Old Family Firms," he said that he hoped that they would show that there is in America much more pride in the antiquity of our business institutions and more sentiment for the founders of these firms than is commonly believed.

From the volume of interest in the subject which found expression in the time-honored custom of writing "letters to the editor," it seems clear that Mr. Sullivan's hope is a reality.

There is an active concern in all sections of the country for the traditions of earlier days. Business men do not forget the past, even though the present and the future claim most of their attention. Excerpts from a few of the interesting letters received by the editor of **NATION'S BUSINESS** bear out this statement.

J. Zach Spearing, Representative from Louisiana, writes:

I read with much pleasure in the April **NATION'S BUSINESS** the article "America's Century-Old Firms" by Mr. Mark Sullivan.

I was particularly interested because Spearing & Company, Sail Makers, New Orleans, Louisiana, now operated by one of my brothers, Robert Spearing, was established in that city in 1817 by my grandfather, Henry Spearing. He was a sail maker in Liverpool, England, and came to this country with his wife and several children in 1816 and established the firm in 1817.

He operated it until his death, when his eldest son, Henry Spearing and my father, John F. Spearing (of course also his son) succeeded to the business. Upon the death of Henry Spearing my father continued the business until his death, and it is now operated by my brother, Robert.

The type of business conducted has changed a great deal with the advent and the increase, if not almost exclusive use, of steam-propelled steel vessels. While the business originally was confined exclusively to the making of sails for sailing vessels and continued in that exclusive line as long as was possible, a change or evolution was made necessary, but the business is still confined to manufacturing articles out of cotton duck. It is not often that a full set of sails is made at this time.

The inquiry for data on old family firms west of the Alleghenies brought forth the following from Herman A. Finke, a consulting engineer of St. Louis:

The St. Louis *Globe-Democrat* acquired the *St. Louis Republic* some few years ago, which was the successor to the *Missouri Republican*, which began publication here in 1808. No doubt the *Globe-Democrat* still has the files of that paper.

The oldest house in St. Louis that I know has been conducted by the same family and is now in existence is the Merrell Drug Co. (1830), wholesale druggist. The Meyer Brothers Drug Company, which started at Fort Wayne, Ind., moved here in the early 70's.

The Mermod Jaccard Jewelry Company is

perhaps the oldest in point of years but the principals have long since passed on and the line of succession is not in the same family. One of my distant relatives was at one time treasurer of that firm, having begun as an office boy.

Among the oldest firms here now are these: Anheuser Busch Company, Aloe Optical Company, Wm. J. Lemp Brewing Company, Boatmen's Bank, Handlan Buck Mfg. Company, Merrell Drug Company, Laclede Gas Light Company, American Wine Company, John Deere Plow Company, Standard Tilton Milling Company, Curtis Pneumatic Machinery Company, Collier Lead Works, Newcomb Bros. Wall Paper Company.

Wallace D. Bassford, of Washington, D. C., contributes an interesting account of the history of the Stark family and its connection with the Delicious apple. He writes:

I have been much interested in the articles concerning old businesses and old farms. They recalled to me one of the old and great institutions of the country. It is hardly old as compared with some of those of New England, but it is about as old as anything that lies on the sunset side of the Mississippi. I refer to the Stark Nurseries, which gave to the world of apple lovers the wonderful Delicious apple. This institution is the largest of its kind in the world and is in its 110th year, while the fourth generation of the Stark family is guiding the business and the fifth generation is learning the ropes.

Before Missouri Was a State

IN 1816, four years before Missouri was admitted to the Union, Judge William Stark of Virginia, a cousin of Colonel John Stark of Revolutionary fame, rode out into the west, his saddle-bags bulging with the seeds of the choice fruits. From that small beginning grew the tremendous business which ships fruit trees by the trainload and maintains its agencies, its experimental grounds and its orchards in all parts of the country and in some foreign lands. Judge Stark saw with prophetic eye that all that great western country would be in need of fruit trees—millions of them.

The concern which bears his name still uses the original farmstead, and many hundreds of acres besides, to grow its millions of trees.

R. Sheldon Cross, agent for the Home Insurance Company writes from Fultonville, New York, to call attention to the record of his family in the conduct of its retail and insurance activities. Mr. Cross, in all probability, conducts one of the oldest retail stores in the country. He writes:

I would like to cite the record of some activities of my family. While my family has run only a small country retail business, still I do not think there are many with a like record.

In 1820 my grandfather, Walter Cross, started in business as a county surveyor and insurance agent. Shortly after moving here he was elected a justice of the peace and served as such, as nearly as I can find out, about thirty years. He had three sons who located in this village. One of them, Walter B. Cross, was in several lines of business and also served as justice of peace for quite a few terms. My father, Wellington Cross, took over the insurance line, and also conducted a general store, starting same in March, 1864. This he conducted, until his death in 1918, when I took it over, conducting both the store and the insurance department. I have also served as a justice of peace for three terms of four years each.

One thing I would like to call attention to is that the original insurance company, with which my grandfather started, is still represented in this agency.

From this you can see that my family has written insurance for one hundred six years, conducted a general store for sixty-two years, and its members have represented the town in public life for over fifty years.

Can You Answer these Questions about Your Mail?



This indicia, imprinted on mail in various colors and denominations of postage, is the sign of Foster Mail at Less Expense

What is the Simplest, most Economical, and most Efficient way of mailing my mail?

By mailing through the Standard Postal Permit System.

What's that system?

One that automatically feeds; separates; imprints distinctive post mark; stamp mark; cancellation marks; counts; seals; and stacks mail at the rate of 10,000 pieces per hour;

A system that eliminates the purchasing, accounting for, affixing, cancelling, loss from, and general use of the adhesive postage stamp;

A system that automatically gives you a postage account control of postage used by departments, day by day.

Is it generally used by concerns mailing from a few hundred to many thousand pieces a day?

Approximately 6% of all first class mail is mailed under permit privilege.

What are some advantages of this Standard Postal Permit System?

Eliminates lost postage and labor of handling postage stamps; expedites mail through your office and the post office; replaces hand sealing; eliminates cancellation at the post office; accounts for all mail sent through it.

Tests show it produces more and faster returns from mailings, for its mail looks better and moves faster.

How do I pay postage?

Simply make a deposit at your post office against future postage. Send with the mail a statement of number of pieces mailed. Postage is charged against your deposit. It is most simple.

How is this system operative?

Through the Standard Postal Permit and Sealing Machine

Do I have to pay rentals for its use?

No, you own your own equipment. It is a most simple, durable, and economical system—it pays for itself in a few months.

Will you send me more information and your Postage Account Book (sent free)?

Yes. Simply return the slip below.

Standard Mailing Machines Company Agencies in Principal Cities

Simply Fill In and Mail

Standard Mailing Machines Company
Revere Parkway
Everett, Mass.

Please send information on
☐ Stamp Affixer

☐ Envelope Sealer

☐ Postal Permit System

Name.....

Title.....

Company.....

Address.....

☐ My mail averages over 200 pieces a day. Send me your Postage Account Book, free.

Other Standard Mailing Machines That Cut Costs

STAMP AFFIXERS—Affix postage stamps, precancelled stamps, stickers, or labels to mail five times as speedily as by hand.

ENVELOPE SEALERS—Seal 1,000 letters for a cost of less than one cent.

OVER 55,000 STANDARDS IN USE

The Romance of World Trade

A Review by MERLE THORPE

I HAVE just had the privilege of examining the page proofs of a most unusual book on world trade. This work of five hundred pages, profusely illustrated, (just published by Messrs. Henry Holt and Company, New York), is from the pen of Dr. Alfred Pearce Dennis, former Commercial Attaché in our Embassies at Rome and London, later personal assistant to Secretary Hoover, and at present Vice-chairman of the U. S. Tariff Commission.

That portion of the work which has to do with an analysis of the genius of American business is familiar to our readers through a series of articles which appeared in NATION'S BUSINESS last year from the pen of Dr. Dennis. What the author has to say is out of the hard, bright world of personal observation rather than through the dimmer medium of what other people have said.

A Picture of the Future

THE reviewer in his time has thumbed over a score of treatises on world trade, emerging from the task not a little perplexed and baffled by the array of trade balances, budgetary inequalities and statistics of production and consumption. All of these figures, while they may be perfectly true the hour they are set down, cease to be long valid amid the fluid conditions of an ever-changing world. Dr. Dennis has written a book about world trade which may be regarded as a sound and fair picturization, today, and which will hold valid, we believe, for a good many years.

His analysis has to do largely with the invisible influences which lie back of our mechanical and engineering competence, along with such factors determining world trade movements as race, climate, geography. "What local conditions," he asks, "in the case of the Italian peninsula of the fifteenth century made the Genoese sailors, the Venetians Levant merchants, the Perugians captains of adventure, the Florentines bankers?"

In this matter of trade physiognomies the picturization epigrammatically stated impresses one as eminently sound and convincing. A thousand illustrations may be given of the author's knack of vivid, charming presentation. "The symbol of Britain's greatness," he writes, "is a floating vessel propelled by wind or steam; the symbol of our rise to fortune is the blazed trail and the covered wagon. Our ways are the land ways of a great continent; Britain's ways, the waterways of the great globe itself."

In discussing the strength of Britain in the trade of the world, he writes, "Two huge

buildings in the heart of London symbolize in a way the commercial strength of Britain in the four corners of the globe. One is the Bank of England, the other Saint Paul's Cathedral. The Bank of England is a low, squat, windowless pile of stone and mortar, with all the architectural grimness of a fortification. It is indeed a fortification—the financial citadel of the world's financial center. Hard by is Saint Paul's Cathedral, representing the spiritual strength, character and aspiration of an indomitable race.



The invincible honesty of the British trader is an immaterial thing but a precious asset in the markets of the world. The banking, insurance, brokerage and commercial intelligence enterprise of this planet focuses in a circumscribed area of 14,000 inhabitants known as The City in that great agglomeration of eight million inhabitants called London.

Center of World Finance

DOWN in The City, the entrance to which has been nominally guarded for centuries by Temple Bar, the world's great financial transactions are centralized. In dark, narrow, winding streets, such as Mincing Lane, the rubber interests of the

world are concentrated. In Mark Lane the world's most powerful wheat brokers find their headquarters. Down in Saint Mary's Axe, just back of the Bank of England, center great export houses specializing in the trade with India, China, South America, South Africa and Australia.

You thread your way through such crooked thoroughfares as Threadneedle, Leadenhall or Fenchurch Street, craving speech with some powerful international merchant or broker. You climb up three or four flights of dark stairs and are conducted, after many twistings and turnings through narrow passageways, to the inner office of the great man. Here he sits in a cubby-hole hardly larger than the cabin of a transatlantic liner. Mayhap a single window gives out upon a grimy court in which the stark black boughs of trees gloom through the murky, fog-laden air. One hardly senses the mighty life that beats in this circumscribed area, just as it is difficult to believe that the stunted and blackened trees will blossom into life and put forth their delicate green foliage in the springtime.

The Signs of Success

IT IS all so different from the spacious office of the prosperous American business man, with its steel engravings, expensive rugs and mahogany desk embellished with push buttons. It was said of the brave Admiral Coligny that his life lacked nothing but success. In somewhat the same way it may be remarked of the British business man's methods that he seems to lack everything but success. He actually does succeed, and for 400 years, since the trade guilds of London memorialized the efforts of Elizabeth Tudor to build up foreign trade, the British trader has stood at the head of his class.

The author has many a little tale to tell out of his

experience of six years abroad as an economic investigator. This is a sample from his chapter entitled, "Colorful Cotton."


"It is dangerous to prophesy about cotton, yet some tips have turned out more than well. In February, 1913, Fuller Callaway, the Georgia cotton grower and spinner, was talking to Lord Kitchener in Egypt. Kitchener was complaining of the ravages of the pink bollworm."

"Why don't you breed a quick-maturing cotton?" suggested Callaway.

"We have a cotton now that matures in one hundred and eight days."

"We can beat you on that," declared the American.

"My plant experts say it can't be done."



AN ANNOUNCEMENT of exceptional interest to Lumber Buyers throughout the east

IN PORTSMOUTH, Rhode Island, on June 7th, the second of the three great Weyerhaeuser Lumber Distributing Plants on the Atlantic Seaboard will be opened for service.

The first of these Weyerhaeuser Lumber Distributing Plants was opened in Baltimore, Maryland, in 1921. The third is now under construction in the Port of Newark, New Jersey, only 7 miles as the crow flies from the New York City Hall.

Serving 30,000,000 People

If you are living anywhere in New England, New York, Pennsylvania or New Jersey, you are a member of the most concentrated community in America; 30,000,000 men, women and children.

You can imagine the lumber requirements of so many human beings—and their greatest lumber supply today is in the Pacific Northwest.

The two states of Washington and Oregon contain 50 per cent of the total forest reserves of the United States. A sure resource of the finest kind of lumber for many generations.

But—between the forests and you lies the whole breadth of the United States—3,000 miles!

Three weeks, four weeks, by rail—a long costly haul.

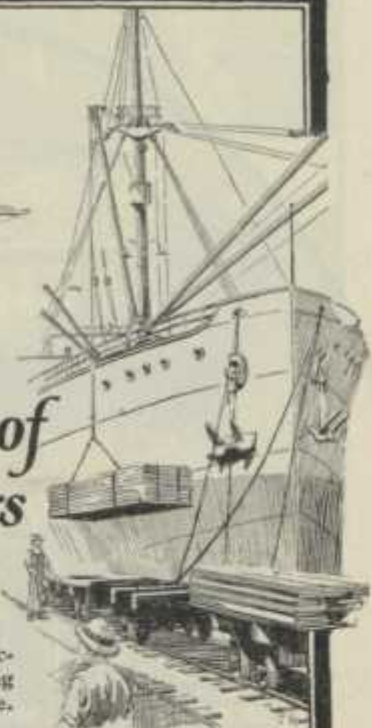
The Meaning of Weyerhaeuser Plants in the East

Baltimore and Portsmouth today (and Newark in the near future) are stocked to the full with fine, wanted varieties of lumber.

Back and forth through the Panama Canal go the Weyerhaeuser ships—moving the best forest products of the Pacific Coast right to the very door of the Eastern markets.

A dream—a service unthought of even five years ago.

A supply of lumber continuous for many years—with more and more mills being built to see that the people who depend upon us today shall have good reason to do so tomorrow.



To the 30,000,000 People of the Atlantic Coast by Weyerhaeuser Ships via Panama Canal.

The three Weyerhaeuser Lumber Distributing Plants will comprise—

A half mile of deep water frontage.

4500 feet of dock.

More than a half mile of loading platform.

Ten miles of railroad trackage.

9500 feet of storage sheds holding 125,000,000 feet of Weyerhaeuser lumber, ready for immediate delivery.

25,000,000 feet of timbers. 3 re-manufacturing plants.

Cheaper water transportation.

Lumber for almost every purpose shipped in 24 to 48 hours.

Quick delivery to dealers all over this section.

Dealer's turnover speeded up.

He is never "out."


His investment is reduced. Economy in piling room.

Emergency stocks for railroads and big industries.

All around an achievement in better service at lower cost, of intimate personal value to everybody.

Supplied by fleet of Weyerhaeuser-owned and Weyerhaeuser-operated ships carrying cargoes of Weyerhaeuser lumber via the Panama Canal to Baltimore, Portsmouth, and (soon) to Newark.

Economical water transportation instead of costly rail haulage.



From the Vast Forests of the Pacific Northwest

Douglas Fir
Pacific Coast Hemlock
Western Red Cedar
Sitka Spruce

Mammoth timber, capable of producing any size, grade, or quality of lumber that may be wanted.

Structural lumber, shingles, siding, or factory lumber.

Weyerhaeuser Mills at Snoqualmie Falls, Washington.

Three Weyerhaeuser Mills on Tidewater at Everett, Washington.

Three new mills being constructed at Longview, Washington.

Nine complete manufacturing units in Idaho.

Three complete manufacturing units in Minnesota.

WEYERHAEUSER FOREST PRODUCTS SAINT PAUL • MINNESOTA

Producers for industry of pattern and flask lumber, factory grades for remanufacturing, lumber for boxing and crating, structural timbers for industrial building. And each of these items in the species and type of wood best suited for the purpose.

Also producers of Idaho Red Cedar poles for telephone and electric transmission lines.

Weyerhaeuser Forest Products are distributed through the established trade channels by the Weyerhaeuser Sales Company, Spokane, Washington, with branch offices at 806 Plymouth Bldg., Minneapolis; 208 S. La Salle St., Chicago; 295 Madison Ave., New York; 812 Lexington Bldg., Baltimore; and Portsmouth, Rhode Island; and with representatives throughout the country.



New Style
Observation
Platform

"North Coast Limited"

"The Travel Triumph"

We believe our New Style Observation-Club Cars are the finest ever built for travel comfort; ladies' lounge, shower, maid; men's shower, barber and valet; luxurious chairs, large, high windows for mountain sight-seeing. The new style observation platform is roomy, shaded by day, with adjustable searchlight for sight-seeing by night.

Extra Comforts—No Extra Fare

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102a

I can
summarize
the country,
the train,
the service.
A. B. Smith,
F. T. M.,
St. Paul, Minn.

Northern Pacific Railway



"First of the Northern Transcontinentals"

Perhaps you'd like to hand
This Coupon
to a friend of yours . . .

To the UNITED STATES CHAMBER OF COMMERCE
WASHINGTON, D. C.

Kindly enter the name of the undersigned to receive thirty-six numbers of NATION'S BUSINESS, one each month, and, in addition at no extra charge, one copy each year of the official transcript containing the addresses delivered by important business and government leaders at the annual U. S. Chamber of Commerce Convention in Washington, together with, on request, an annual index of the contents of the preceding year's numbers. I enclose remittance for \$7.50, which pays in full including postage for the above.

Name..... Date.....
Address.....
City..... State.....

Kitchener said, with military precision.

"Callaway cabled to his manager in Lagrange, Georgia, to rush five pounds of Fruit seed to Kitchener in Egypt.

"The next summer Kitchener cabled Callaway, 'You're right. Picking cotton eighty-six days after your seed were planted.' The introduction of early-maturing cotton has saved the Egyptian growers millions of dollars.

"Three days after the war broke out Callaway found himself in London unable to secure passage home. He went to his friend Kitchener for help and through his good offices secured steamship booking to New York. At that time spot cotton was selling at nine cents in New York with a glut of finished goods in the world's market.

"How many months will the war last?" queried Callaway.

"Put it at years instead of months," replied Kitchener. "It will be a war of exhaustion. You can go home and build cotton mills and sell everything you can turn out in the next four or five years."

"Callaway went back to Lagrange, Georgia, put up great mills with cheap labor and material, has run them night and day ever since, and made a fortune. Referring to his prosperous state he is wont to remark, 'I tipped Kitchener off as to the proper time in which to grow cotton. He tipped me to the proper time in which to manufacture it.'"

The author takes us down to the docks of great ports such as Hamburg, Antwerp, Liverpool, New York, "where lie evil smelling tankers laden with crude petroleum or with blood from Argentine abattoirs. Rusty tramp steamers discharging guano deposited on rocky islets under blazing equatorial suns by fish-eating sea fowl. White ships bearing tropical fruits, squalling parakeets. A score or more staple commodities borne thither in obedience to imperious human necessities. A thousand and one articles ministering to human luxury. The taste of civilized man spreads out fanlike in obedience to infinite cravings for the rare and unattainable."

Author Analyzes Possibilities

HE UNDERTAKES to analyze the world position of important countries such as England, Italy, France, Germany, noting their characteristic commercial lineaments. As of countries, so of commodities—the endless back and fill of commodities in international exchanges.

Cotton is the world's universal commodity. It would be hard to find a human being in all the length and breadth of this swarming planet who does not touch cotton at some point or other. The Laplander barter a bit of fur for the cotton wick in the oil lamp that lights his wretched igloo. The tropical savage with a passion for adornment tattoos his naked body but begirds himself with a breechcloth of cotton. Cotton for Mussolini's black shirts. Cotton blooming into delicate forms of flowerlike beauty for pampered femininity. Cotton streaming fanlike into scores of new industrial channels.

The positive cotton film turned out in one year by a single American manufacturer of photographic supplies would girdle the earth more than five times at the equator. Mix cotton with sour milk and you get a cigarette holder which will not burn. Mix it with something else and you get a celluloid which flares up before the eyes. Mix a few pounds with nitric acid and you have an explosive that will blow up a fort.

World business is interpreted by Dr. Dennis as something to stir a man's imagination.

tion. "Western civilization with its commercial life molded by an adventurous pioneering genius ever seeking to push aside the mysterious veil that divides the known from the unknown. The charm of life is mystery. That which lies ahead of the explorer, the merchant adventurer, in all ages, is the lure of the unknown—the struggle to do something better than it has ever been done before. Up against the awful brevity of human life our impressions become mere peeps at the biograph. Certain of these impressions I am striving to reproduce. Impressions of movement, color, the efflorescence of human genius in the traffickings of world commerce.

"The mysterious forces which lie behind this restless flux comparable to the principle of endomose and exomose in chemistry whereby two liquids separated by a parchment pass through from one side to the other and intermingle."

The author points out that the spirit of our adventurous pioneering western civilization is best expressed in the word "mobility." "Our western life runs on high gear. It demands swiftness of communication to which the answer is the telegraph, telephone, swiftly darting airplanes and Twentieth Century trains.

The World Is Speeding Up

THE lethargic ox yielded to the faster stepping horse on our highways and the horse in turn to the swift motor car. Rapid individual transportation for the millions. The protagonist in the epic, having become the richest man in the world, is hourly growing richer. His name is like to outlive that of Julius Caesar. All of which gives some little point to Ruskin's bitter epigram on the purpose of civilized man: "Whatever we have—to get more. Wherever we are—to go somewhere else."

"Humanity pushing, stumbling, trampling forward—life fermenting, boiling over, coursing through new channels. The pulse of western civilization beats high, rivalries are keener, the pace quicker. We work fast and travel faster and it is as difficult to establish equilibrium as it is to deal with quicksilver.

"As yet we are under no necessity for throwing off an outer rim of population and thus competing on even terms with the British or Germans in securing foreign trade through establishing permanent personal contacts. We enjoy a clear superiority, however, in our genius for conquering time and space. We are building time- and labor-saving machines for the world. We are offsetting the trade handicaps of high wages, long distance negotiations, foreign language, imperfect knowledge of the foreign customer's psychology by American manufacturing genius.

"As a result of our technique of mass production, of pooled energies, we sprinkle foreign highways with our motor cars, install our typewriters and adding machines in foreign counting rooms and place our sewing machines, phonographs and radio sets in foreign homes. We can do this, first, because of the superior efficiency of the American workman; second, because we can recoup our losses in high wages through the economies of mass production and third, because our mechanical and inventive genius is always adding new values and refinements to the products of American industry."

It strikes me that Dr. Dennis's treatise is about the most vivid, readable, and authoritative contribution to the literature of world trade that has appeared for some time.



A Mathews Conveyor System in the plant of the Henderson Sugar Refinery, New Orleans.

Built for the Job — Mathews Conveyers

IN YOUR planning to make your plant processes more completely mechanical, especially the handling of materials raw and in work, do not underestimate the value or overestimate the cost of having your equipment built to fit the specific job.

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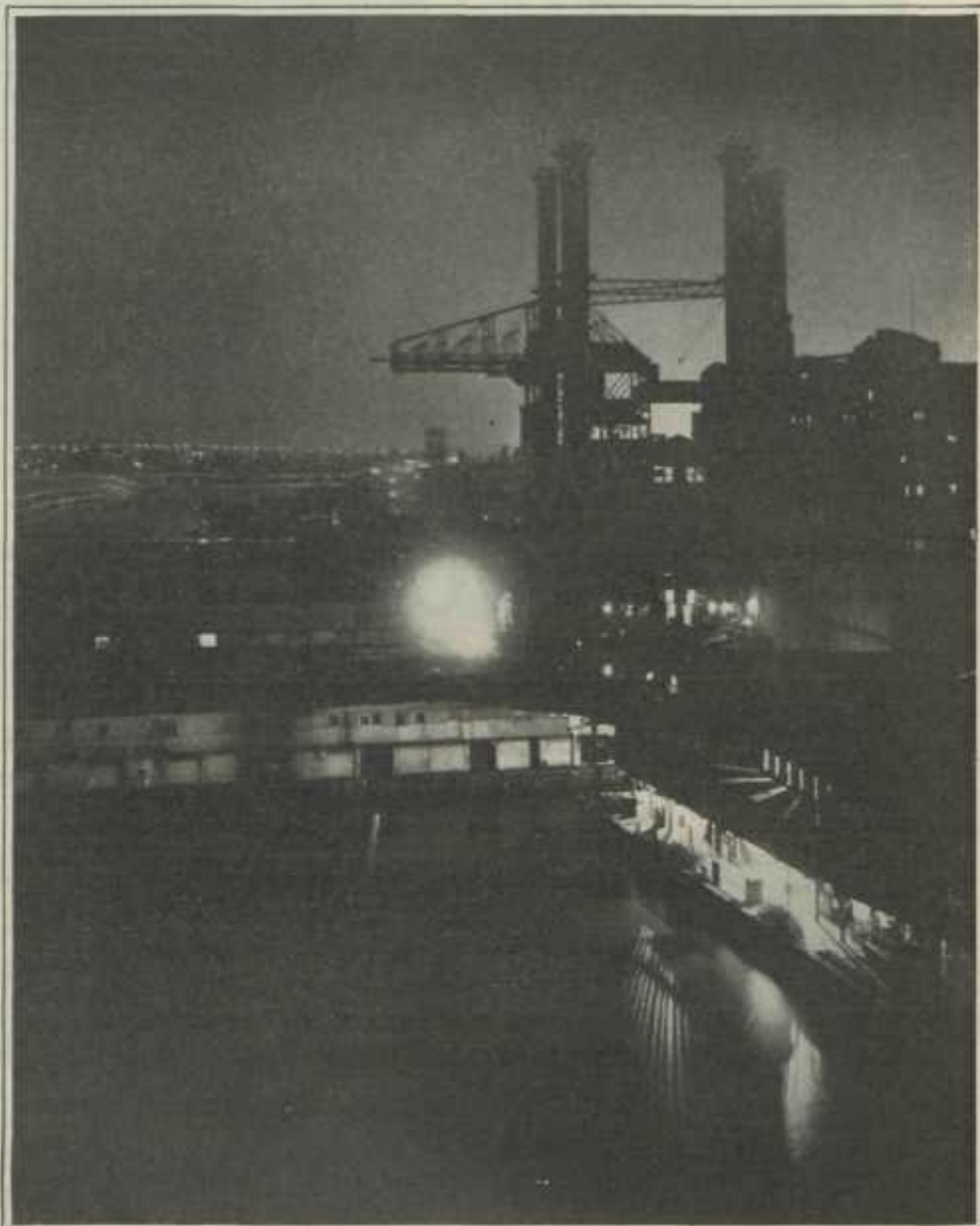
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"It is the function of management to coordinate the efforts of capital and labor toward greater productive efficiency." The wheels of industry must be kept going, and management works out the ways and means

A COMPARATIVELY short time ago industry was considered to be divided into two separate camps—capital and labor. This condition no longer obtains. Today industry is made up of three distinct departments—capital, labor and management. Capital represents ownership and may be one individual or thousands upon thousands of stockholders, many of whom are ordinarily considered as part of the labor or management group.

Labor represents the human element of production and may be a small gang of unskilled laborers or a huge organization of thousands of people ranging from the porter who sweeps the floors to the research engineer, who designs new processes or machines. Labor, through stock ownership in the industry in which it toils, may also be considered as a part of the capital group.

Management represents the control of industry and may be a single foreman or a complex staff organization of hundreds of

people. It is the function of management to coordinate the efforts of labor and capital toward greater productive efficiency per dollar invested and workman employed.

Management's function is, of course, the most important of all, though it would be ineffective were it not for the cooperation of the others. Its responsibilities are threefold:

First, to the ownership, to see that an adequate return is made for the money invested.

Second, to labor, to see that the productive effort of the individual workman is compensated for by adequate wages.

Third, to the general public, to see that the price of the manufactured product is kept as low as possible.

Only a relatively small percentage of man's increased power of production is made possible through the individual efforts of the workman. What do you suppose would be the price of an ordinary box of carpet tacks

Hotels

of which much is expected



THE reputation of these hotels is, in one way, something of a handicap. But that very handicap keeps them growing and improving all the time.

For the Statler-operated houses have a reputation for service that is hard to live up to in every instance. Little things which would pass unnoticed in the average hotel are causes for complaint in a Statler. Inconveniences which, even in his well-ordered home, a man lets pass unnoticed, become grave lapses from good service in a house that talks about "Statler Service."

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Boston's Hotel Statler is Building:

A new Hotel Statler is under construction in the uptown district of Boston—it will be opened late this year, with 1300 rooms, 1300 baths.

And an Office Building:

Adjoining the hotel will be the Statler Office Building, with 300,000 sq. ft. of highly desirable office space; Rental Managers, W. H. Ballard Co., 45 Milk St., Boston.

P. S. The experienced traveler plans his route to bring him to a Statler on Saturday—for an extra comfortable week-end.

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EVERY room in these hotels, whatever its price, has private bath, circulating ice water, bed-head reading lamp, and other unusual conveniences. A morning paper is delivered free to every guest room. Club breakfasts—of a la carte excellence. Each hotel has a cafeteria or a lunch-counter, or both, besides its regular dining rooms. All articles at news stands are sold at street-store prices.

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A FACTORY FLOORING that combines end grain durability with lasting smoothness—that's BLOXONEND.

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if they had to be made by hand? The largest part of industry's productive capacity is made possible by inventive genius and by management. Isn't it time that we began to give some credit to management for the tremendous part which it has played in the upbuilding of American industry?

What are the facts?

From 1899 to 1923 the total value of production has increased 185 per cent and installed primary power has increased 229 per cent while the number of wage earners in the same period increased only 90 per cent. Power per wage earner has increased 75.9 per cent since 1899.

Average hours of work per wage earner have been reduced more than 10 per cent since 1909. Wages paid per wage earner up to 1919, and thereafter, have increased more than the net value of products per wage earner.

In all, the installed power has increased relative to the number of workers. In nearly all, the total wages paid have kept pace with or exceeded in their increase the net value of product.

Steel Industry Shows Way

WHAT progressive modernized method can do is graphically shown in the iron and steel industry—an Open Shop Industry by the way. While wage levels are now about 140 per cent above the pre-war level, the average price of products is at present only 37 per cent higher than in 1914. In other words, while wages of iron and steel workers are nearly two and a half times as large as they were before the war, average prices of iron and steel products have risen only about one-third.

In the automobile industry, another Open Shop industry, average prices of machines are 29 per cent lower than in 1913, though the wage levels are about 129 per cent higher than they were before the war. Similar conditions are found in other Open Shop industries, also in the public utilities, where wages are about 116 per cent higher than in 1914 while the cost of gas and electricity for domestic consumption is only about 20 per cent higher in price.

Conversely we find that while wage levels in the Anthracite Mining Industry are 192 per cent higher than the pre-war level, the selling price of the product is 102 per cent higher.

The conclusion then is that this tendency toward rising "real wages," has been brought about, not by any pressure exerted by organized labor, but by an advance in ad-

ministrative method and technical efficiency.

If we study the relative changes in wages and prices in the major American industries since the pre-war period this picture emerges: The major manufacturing industries may be divided roughly into three groups in respect to the relative changes in wages and prices of their products since 1914. First, there are a group of industries in which wages and prices have risen relatively at the same great rate. These are the highly unionized industries such as building trades, coal mining, clothing. Second, there are a group of industries in which wages have risen relatively greatly but prices have risen but little or even fallen. These industries are, as a rule, little unionized at present and show, in some cases, a marked decline in unionization since 1920. Such are, notably, the iron and steel, automobile, chemical, silk, foundry and machine shop, paper and pulp and agricultural implements and some others. Finally, there are a few industries, notably those more or less directly connected with agriculture and food production, in which the earnings of workers have risen but little and prices also relatively little.

Disregarding for the moment the last group, in which the improvement of productive efficiency has encountered fundamental obstacles and which are little susceptible to unionization, it appears that at least one of the fundamental factors affecting the relation between wage and price levels is the extent of organized union power in the various industries.

High Wages at High Cost

WHERE labor organization has successfully resisted the application of improved methods it has succeeded in securing high wages at the expense of high prices. Where, however, industrial management has effectually taken the initiative in the reduction of unit costs through the application of scientific principles two things have happened, which may be inter-related.

First, costs have been relatively reduced. This has made possible a relatively great increase in wages.

Second, the rise of wages, proceeding naturally from increased productive efficiency, has weakened the case for the labor organization.

The rôle of the labor organization has further been weakened simultaneously through the effectiveness of the very agency by which productive efficiency has been increased, and that is, management.



A City's Bridges. Reproduced from an etching by Anton Schütz

COURTESY MANUFACTURERS NEWS

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GRAHAM BROTHERS *New ONE TON TRUCK*

Graham Brothers latest and most impressive achievement—the G-BOY!

A one ton truck embodying entirely new ideas in design and balance and selling at an astonishing price.

Extraordinary purchasing power and vast production made the G-BOY possible.

Largest exclusive truck manufacturers in the world, Graham Brothers buy and build in enormous volume.

The price and quality of the G-BOY illustrate the extent to which buyers benefit by this volume and its resultant economies.

The G-BOY is the most important con-

tribution in years to the cause of *Better Transportation at Lower Cost.*

A new system of weight distribution effects a revolutionary improvement in balance.

The compact wheelbase facilitates ease of handling and yet affords unusually generous body capacity. The truck is gracefully low, with steel spoke wheels and 30 x 5 truck type cord tires.

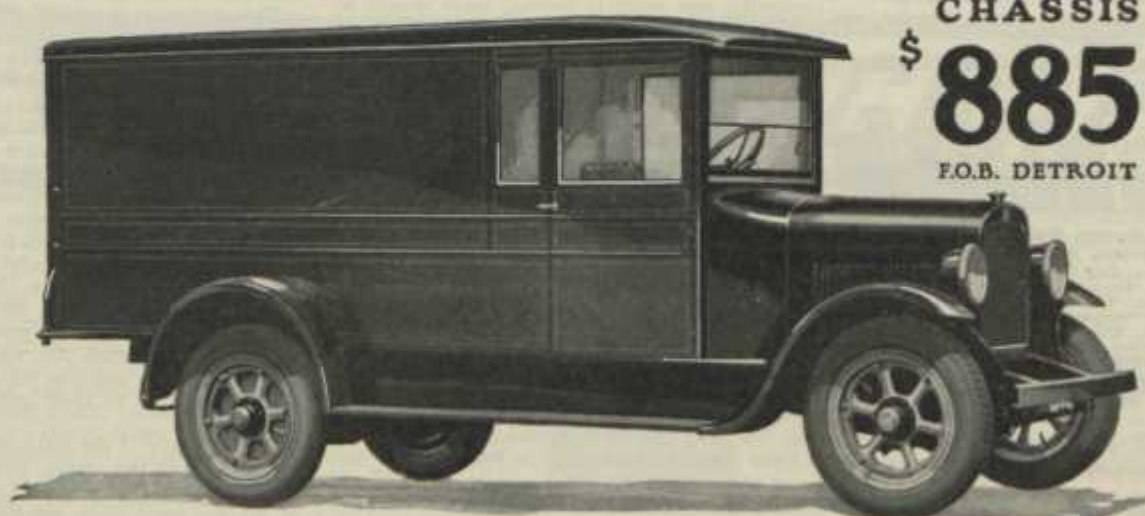
Dodge Brothers engine is the standard power unit, with a new heavy transmission that has proved its quality in greater capacity types.

The entire truck, in fact, is built to out-live and out-perform trucks costing hundreds of dollars more.

Bodies for the G-BOY—and for Graham Brothers complete line of Trucks and Motor Coaches—are built in Graham Brothers own factory at Evansville, Ind.—the most modern plant of its kind in America. Whatever your requirements may be, a suitable body is immediately available at an attractive price.

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"England's Railroad Muddle"

WHEN I read the leading article in the issue of NATION'S BUSINESS for February, written by Edward Hungerford, under the title of 'England's Railroad Muddle,' I could not but feel that the author had perhaps over-emphasized the difficulties and disadvantages of railway amalgamation in England, and had under-emphasized the benefits."

Thus writes Julius H. Parmelee, director of the Bureau of Railway Economics, Washington, D. C., to the editor of NATION'S BUSINESS. To quote Mr. Parmelee further:

"Like Mr. Hungerford, I spent several weeks in England myself last summer, and had the opportunity of discussing the English railway situation with a number of the highest English railway officials, as well as some of the lesser employees, and others familiar with the situation. They talked frankly, yet gave me a picture quite different from that painted by Mr. Hungerford.

English Railroader Retorts

"NOT WISHING to depend on my own information or opinion in this matter, I sent Mr. Hungerford's article to Mr. C. E. R. Sherrington, Secretary of the Railway Information Bureau in London, an organization that is maintained by the English railways for the accurate compilation and dissemination of railway statistics and facts.

"I asked Mr. Sherrington to give me a frank and dispassionate comment on the article. He has done so, and gives me permission to quote him as follows:

At the end of his second paragraph, Mr. Hungerford says: "He has made his railway omelet. Yet already he is ready to unscramble it." This statement is not correct. It is unquestionable that there is no one in this country who desires to go back to the pre-grouping position.

Although service may not be what it was, one has to remember that greater control and the combination of railways was the alternative to nationalization and every one agrees that it was a step in the right direction. Unlike your American railways, our lines in the old days refused to standardize their rolling stock, loading gauges and stores.

In his third paragraph, Mr. Hungerford says: "It had been in effect two years and a half, long enough for a fair test of its merits." This again is by no means a correct statement. Admittedly, two years in normal times should be long enough for a test but, so far, it has been a very unfair test, since the railways have been in the depths of the worst depression for 100 years, which started the year before grouping commenced.

The trouble has been that a cumulative policy of strictest economy both during and since the war, except for the years 1919 and 1920, has brought the lines to such a position that no further economies in capital expenditure could be made. The only savings that can possibly come are through lower wage rates, which means, in effect, cheaper prices and cost of living and better organization.

Mr. Hungerford, in his next paragraph, says: "It should better—or at least not lessen—the service given to the railroad patron and his community." As a matter of fact, the grouping has very greatly increased the service given to the "railroad patron"; the train mileage figures alone bear this out.

Trains are very much heavier as a whole, are more frequent, and the only loss to the patron has been in the lack of esprit de corps and the politeness which come from it and this is bound to result when six companies are merged into one. We hope this change is only of a tem-

porary nature, but the larger the area the railway serves, the more difficult it is to keep up this local esprit de corps.

Mr. Hungerford points out in his very next paragraph the economies of railroad consolidation, viz., the abandonment of duplicate lines and stations, cutting out duplicate trains and the lessened pay-roll that ensues.

He goes on to say that no stations had been abandoned, "on the contrary, the three separate stations still stood almost within a stone's throw of each other at Leeds; while a similar situation, only worse, exists at Manchester, and one nearly as bad at Liverpool."

It is rather surprising to find a railway authority speaking in this sort of way because a great many stations have been closed, but the three cases he specifically mentions are all working to more than capacity and it is obviously impossible, without colossal capital expenditure, to eliminate any large stations which are working to full capacity unless you build one combined station to take all traffic.

There is a general feeling against union stations in this country, and the one at Liverpool is a particularly bad case for him to quote as the stations had to be cut out of solid sandstone rocks and it would cost many millions to alter this position. What he does not realize is that although the stations stand, train services have been switched from one to the other so as to reduce extra running very considerably. A great many competitive services have been cut out, but it is just as impossible for us to eliminate trains on the east coast route between London and Edinburgh as it is for you to knock out all passenger traffic on the Lehigh Valley if the Lackawanna and the Lehigh should be consolidated, partly for the reason that the services given do not apply only to passengers travelling the whole trip.

On the same page, Mr. Hungerford makes the following statement: "The Southern group is still compelled to run its full duplication of trains." This statement is absolutely inaccurate, as a great many duplicate train services have been abolished in spite of the outcry from some stations on the more difficult route to operate.

What Parliament Would Say

ABOUT the same railway, he says: "Of all these, only the Dover-Calais route is profitable the year round, yet the Southern finds it to be a practical impossibility to abandon the three others, even in the unprofitable winter months. Southampton and Newhaven and Folkestone would have something to say about that. Members of Parliament from the southern counties would ask unpleasant questions of the Minister of Transport."

This statement is again far from correct. The boats from Newhaven serve a very different area of France from the Dover-Calais service (incidentally, it is a cheaper one to travel by owing to its longer sea-route). The Southampton-Havre Service is an all-night crossing and again caters for a somewhat different type of passenger.

It is safe to say that neither of these two are run at a loss. As a matter of fact an additional service was started from Southampton last summer.

The shorter sea-routes from Dover and Folkestone are, in actual fact, run at almost capacity right through the year, while the Newhaven service carries the night mails. There was never any question of cutting out such different services as these and concentrating on one port.

It is doubtful if the main line to Dover could possibly carry the traffic, since in the London suburban area it is probably the most crowded of all the main lines entering London as regards density of traffic; in fact, it is at this present time being doubled at great expense.

In order that Mr. Hungerford might have an opportunity to answer this comment on



Interior of Multigraph Department of The Dartnell Corporation, of Chicago, well known as publishers of Sales Management Magazine and of The Dartnell Monthly Sales Service.

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but it seems especially interesting to me that a machine which is seemingly of light construction like the Multigraph will stand up under actual production almost as well as a very heavy printing press."

4—About the Multigraph's contribution to Dartnell Success:

"In closing, I want to take this opportunity of expressing to you our great appreciation of the contribution which the Multigraph has made to the success of the Dartnell business. I don't think I am stretching the point when I say that if it were not for the Multigraph there would be no Dartnell Corporation today."

THE four paragraphs which you have just read are from a letter written to us by Mr. J. C. Aspley, President of The Dartnell Corporation. All we need to add is the description of the printing Multigraph, which you will find below—with a coupon for your convenience, and future profit.

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The book, "Do Your Own Printing," is not only the most complete story of what the Multigraph is and does, but is also a valuable treatise on office printing which has grown out of many years' experience by a great variety of business concerns. Mail the coupon and you will receive a copy without charge or obligation of any kind.



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This book discusses printing from the Selling as well as the saving viewpoint, quoting many interesting examples. Check the coupon below.

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his article, a copy of Mr. Sherrington's letter was sent to him. Mr. Hungerford's reply, as forwarded to the editor of NATION'S BUSINESS, runs thus:

Mr. Sherrington's letter to Mr. Parmelee, both amused and irritated me. It is about what one would expect a propagandist to send. The English railways having made a serious mistake are most loath to admit it. And they always particularly resent being criticized by an American.

But the facts of the matter remain precisely as I stated them in my article in NATION'S BUSINESS. The stations in the principal cities of Great Britain have not been consolidated and I notice that Mr. Sherrington admits that they

have not. And the services in few instances equal, to say nothing of exceeding, those of pre-war days.

The trouble is that Mr. Parmelee and other railroad officers who go overseas to study railway conditions put themselves in the hands of the railway officers over there and only see what these people choose to show them. I went "on my own." I traveled over 4,000 miles of the British railways and I talked with every rank of railroader, from general manager down to station agent and engineer. . . . The facts about the Channel ferry services I gained from the editor of an important railway trade journal in London who knew precisely what he was talking about.

Therefore I'll stand pat.

"Long Distance" and Odd Calls

HIS IS not registered there. They cannot locate him."

This was the cheerless information an Omaha telephone operator had to pass on to a citizen who was calling a man at a well known New York hotel. The man placing the call in Omaha was not exactly pleased and told the operator he was sure his man was there and had registered on Friday. "He writes a peculiar hand," he added, "and they often say he is not registered."

Armed with this tip, back went the Omaha operator over the wires to New York. Another search in the big city hotel. No success. Finally one of the supervisors in the Omaha long distance office decided she'd "see what she could do." She reached New York and the hotel clerk. She gave him the same old information.

All too soon the clerk reported, "He didn't register here Friday." "Oh, yes, he did," the operator replied. "Look for any one registered from Omaha on Friday."

The clerk gave her two names but neither was the person wanted. Discouraged, but not defeated, the long distance girl rang the hotel clerk again. "Say," he shouted, "I told you that man wasn't registered. If you can find him in this hotel you are a better man than I am."

"Pick out the worst written names on the Friday register and see if you can't make Zachary out of one of them." Once more the register was consulted, while the operator hoped against hope that her hunch would be rewarded. Soon the clerk grudgingly admitted that he had found a name, written in an odd scrawl, which might be Zachary. Suppressing her elation, she rang Zachary's room and, in the parlance of the famous mounted police, "got her man."

Operators Display Ingenuity

THIS brief story, true in every detail, is characteristic of the ingenuity and persistence often employed by long distance telephone operators in completing a call. In the majority of cases, of course, the parties are more easily located. But there are many instances in which little information is available concerning the person desired, his address or where he might be located if not found where he is supposed to be.

Such a call, for example, was placed in New York to Saranac Lake, N. Y., for the Riverside Inn, St. Regis or Berkley Hotel, the calling party asking for "Gertrude" or "Alex." The operator at Saranac Lake requested Gertrude's last name. The New York caller did not know it. The only information he could give was that Gertrude

had a brother named "Alex" and that she was so beautiful she could be picked out of a hundred Gertrudes. Also, if she had a car with her it was a Pierce.

Gertrude was not registered at any of the hotels. A girl answering her description, however, had been dining each day during the past week at the Berkley. The proprietor said that if she came in that day he would question her and see if she was Gertrude, the beautiful sister of Alex. Sure enough, she was located and the New York man was overjoyed.

Locating Travelers a Test

LAST minute changes in business plans sometimes make it imperative to reach a person just as he is leaving a city by train. The Dash Company at Minneapolis placed a call for a man at Duluth. Several reports that he was out for a few minutes were received and finally, at 1.15 p. m., it was learned that he was leaving for Minneapolis over the Soo line on the 1.30 p. m. train. Calling the railroad station the operator had the man paged. At 1.28 he was still missing. A courteous railroad official informed the operator that the train stopped at Superior for one-half hour.

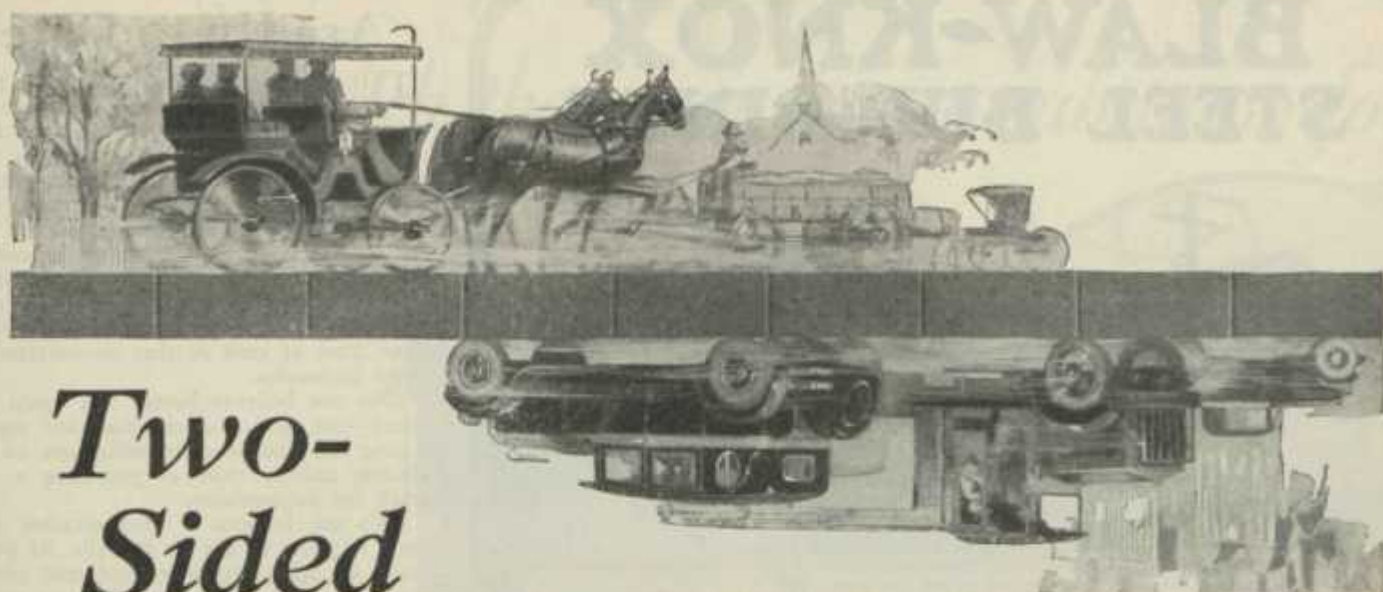
The operator called the railroad station at Superior and left word for the man to call Duluth if he could be found on the train. He reported some time later from the Superior station and talked to Minneapolis.

While most long distance calls are serious in nature there are some, of course, which are not without their humorous side. The businesslike young lady at the switchboard admits that now and then she gets a smile from bits of conversation that come to her ears as she completes and supervises the calls under her care.

A guest at a St. Louis hotel made an urgent request that long distance follow up an important call he had placed for his wife. The lady finally answered and an attempt was made to start the conversation. The St. Louis operator quickly gathered, however, that the husband was in no condition to talk coherently and diplomatically put the wife off.

The operator then called the bell captain of the hotel and advised him that she was ready with an important long distance call for the guest in room so-and-so, but the guest didn't appear able to talk. Would the bell captain help to get him in condition to speak? Sure he would!

Soon the captain reported, "Ma'm! That man don't want nothin' to sober up on. The only think he'll take is more lickin'!"



Two-Sided Value

FIRST a generation of trouble-free service from one surface, then lifting and replacing "*bottom-side up*" on a renewed base, and fifteen to twenty-five years more resistance to traffic — *that's* just one of the reasons why vitrified brick asphalt-filled, makes the most economical pavement a community can select.

For facts and figures taken from official public records proving this remarkable salvage value of the vitrified brick pavement, write for free book "*TWO-SIDED VALUE.*" Your copy will be gladly forwarded by return mail.



*Pave
with*

VITRIFIED
Brick
PAVEMENTS

OUTLAST THE BONDS

NATIONAL PAVING BRICK MANUFACTURERS ASSOCIATION, ENGINEERS BLDG., CLEVELAND, OHIO

BLAW-KNOX STEEL BUILDINGS

*Lowest
cost
per year*



Blaw-Knox Multiple Unit Inspection Shed. Erected for the New York New Haven and Hartford Railroad Company at Stamford, Conn.



Handy Houses



Interior of building used as weaving department at Western Penitentiary



Interior of Blaw-Knox building erected for the Copper Clad Steel Company, Rankin, Pa.

'All Purposes'

The Blaw-Knox Standard Steel Building is time saving, economical construction for the smallest handy house or the largest plant layout.

Standard design of proven worth and quantity production, together with the use of copper bearing galvanized steel sheets, is a combination of method and material that makes possible low first cost together with low up-keep and means *Lowest-Cost-Per-Year*.

Blaw-Knox steel buildings are easy to erect, coming to you from stock all ready for erection. They are designed in every detail for weatherproof stability. For

example, there are no bolts or rivets through the roof sheets.

Blaw-Knox methods provide for meeting your exact specifications from standard parts—and immediate shipment and quick erection are guaranteed. One order covers everything.

Remember—Blaw-Knox buildings are not ordinary steel buildings. They are weathertight and always will be. Blaw-Knox buildings last long.

Send for descriptive literature and prices

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632 FARMERS BANK BUILDING

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BLAW-KNOX
All purpose, one story Buildings

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Without obligation, send me your literature. We have in mind a building.....ft. long

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Name.....Address.....

When writing to BLAW-KNOX COMPANY please mention Nation's Business

Our Street Cars Are Up to Date

"THERE is no thought of fixing the price of shoes by law at \$4.00 a pair for twenty years and equally so has the fixed price for transportation passed into the relic heap," said Britton I. Budd, president of the Chicago Rapid Transit Company, in a recent address. "There is appreciation that the fare must adequately cover the cost of production of transportation; that wages, interest, power bills, taxes and other costs are paid for, not in airy promises, but in the same kind of cash as that necessitated by other businesses.

"No one believes horses will again pull street cars, and municipalities are rapidly wiping out the obsolete obligation on the electric railway rider of providing a race track for automobiles.

"No one believes a transportation company is going to rip up its rails, its power lines, its other properties and quit providing communities with transportation service at the end of any fixed franchise period of twenty or thirty years.

"Rather the people of the communities are coming to believe, and have a right to believe, that the local transportation agency should be in a position to finance itself continuously through the offering of a security attractive to investors.

Good Organization Brings Success

"A MILLION-DOLLAR department store in the Sahara Desert wouldn't get much business. Neither does an electric railway which does not start anywhere or end anywhere; which does not operate through traffic producing areas; which is not on its toes meeting competition; whose engineering is not such as makes its operation of a character that meets modern conditions, or which has a top-heavy financial structure.

"Such a railway has no more chance of success than any other industry loaded with corresponding burdens. But where the conditions are right, it is easily proved that there is as much *bona fide* earning capacity in the industry today as at any time in its history.

"Within the last two or three years we have seen an increasing number of companies engaging in motor coach transportation as an auxiliary to railway operation.

"These companies have not only modernized their railway service, but they have met the demand for rubber-tire transportation and shown themselves capable of serving needs of their communities to the fullest degree.

"In the interurban field we have seen some of our companies develop into high-speed, electrically-operated railroads, with roadbed and equipment comparable with that of the transcontinental steam railroads. We see some of these lines handling freight and interchanging cars with the steam railroads and developing a business at once profitable to themselves and to their customers.

"I do not believe that any business has ever so clearly demonstrated its fundamental soundness as has the electric railway industry.

"Its remarkable virility and recuperative powers have been the wonder of investment bankers and investors. Its securities, which a few years ago were shunned by investors, are again taking the position in the money market which the importance and soundness of the industry warrant."

In a Watch there can be no substitute for ACCURACY



William R. Hobson, conductor of the "Century" for the past eight years, carries a Hamilton today and has carried it for the past nineteen years.



Always on time

Men who know a thing or two about watches insist on having railroad accuracy

THE Hamilton enjoys unique prestige among railroad men. It is known from coast to coast, from border to border, as "The watch of railroad accuracy." Let your next watch be a Hamilton, the watch that railroad men have made famous.

A Hamilton to suit your individual preference may be selected from a number of beautiful models. Some are simple, graceful and chaste. Some are beautifully engraved and orna-

mented. All have an intrinsic beauty that will keep them fashionable after years of service.

Ask your jeweler to show you a Hamilton today. He can show you Hamilton pocket and strap watches for men, and charming wrist watches for women. Pocket Models from \$48 to \$685. Strap Models \$50 to \$88. Women's Wrist Models \$48 to \$60. We have prepared a very useful little booklet, "The Care of Your Watch." We will send it on request. Write also for a copy of our new illustrated booklet, "The Timekeeper." Hamilton Watch Company, 871 Columbia Ave., Lancaster, Pa., U.S.A.



THE "BUCHANAN"
A beautiful new Hamilton at
Chased case of green or white filled
Gold, 17 Jewel Adjusted Movement

\$50

Hamilton Watch

The Watch of Railroad Accuracy

Play the SILVER KING



WHEN you come to the hole that always wrecks your score, take out a brand new Silver King—there's nothing like fighting fire with fire, psychology with psychology or an inferiority complex with a superlative golf ball.

Most golfers find that they get 15 to 25 yards farther when they play this best of all good golf balls.

STILL A DOLLAR
no raise in the price



John Wanamaker
NEW YORK PHILADELPHIA

Wholesale Golf Distributors

Digest of the Business Press

By WM. BOYD CRAIG

AS CONGRESS prepares to adjourn, various comments and criticisms of its actions fill the editorial columns of the business papers. Most of the comments are generalizations, to the effect that Congress should take a long vacation and get its mind well off the subject of passing laws. The railroad journals are particularly pointed in their remarks concerning the nation's lawmakers. Speaking of multiplicity of law-making, *Railway Review* has this to say:

"The official records of Congress show that from the Fifty-second Congress to the Sixty-eighth Congress, inclusive, 511,619 bills were introduced, 8,369 public laws were passed, and 17,711 private laws. In this period the laws and resolutions passed and adopted numbered 26,080.

"Of course, these figures do not represent the real volume of altered work done by the national legislature, but they do show to the thoughtful a real reason for believing that if Congress were to be convened only once every ten years, the country might be much more



prosperous because it would be, mentally, much less disturbed, and private and personal initiative and energy might have some chance.

"These constructions mean thousands of volumes to be printed, thousands of decisions, citations, digests and what not—mostly what not—to be written and thundered forth by the lawyers. Isn't it wonderful?"

The *Review* also adds this note:

"The *Financial Chronicle* asks, and with very good reason, 'Is this a government by and for free electors possessed of personal rights guaranteed by the limitations put upon government in the original conception as expressed in a written and therefore inescapable Constitution? Or is it a thing of shreds and patches, a conglomeration of boards and commissions, a law-made tyrant, holding in its clutches the social conduct of citizens, and their daily business procedure?'

"We have a surfeit of law-making. We have a plethora of 'investigations.' We have an insidious encroachment of socialism and autocracy in our affairs."

"The 'public servant' idea is not popular in Washington except during campaigns for reelection. An experienced observer declared, not long ago, that of all the several hundred members in both Houses of Congress precisely 26 are real, honest-to-goodness, sincere, hard workers, and that this is a fact so well known that their mail is burdened with requests and demands for service, most of them from persons not living in the states the 26 represent."

After calling attention to the fact that the Senate has finally decided that Smith Wildman Brookhart is not entitled to a seat, *Railway Age* continues:

"We shall miss from the pages of the *Congressional Record* Mr. Brookhart's familiar speech about how the railroads increased their operating expenses in the year in which they were returned from federal control by about \$1,400,000,000, without reference to the part played by the Government in bringing about the increase, nor to the fact that the railroads have since reduced their expenses by an approximately similar amount while handling more traffic. All of which will tend to elevate the

plane on which discussions of railroad subjects are conducted in the Senate, although there are several senators left capable of supplying to the *Congressional Record* the kind of fiction to which it has been accustomed."

Wallace's *Farmer* also mentions the journal which our legislators publish in the interests of posterity, thus:

"The *Congressional Record* is getting badly messed up with speeches from congressmen who pathetically declare that they want to help the farmer but just don't know what to do."

Paint, Oil and Chemical Review looks askance at statesmen who toy with the farmer's vote, to wit:

"Anything to catch votes seems to be the prevailing motive in Congress this spring. Hence the Haugen and other bills which are explainable on no other hypothesis. The farmers are suffering from slight overproduction and exaggerated costs of land in some sections. The automobile manufacturers are also said to be worried by one of the annual scares caused by making more cars than the public needs.

"But we don't hear the car makers howling for 'government aid' in the form of loans and permission to evade the Sherman law which is exactly what the Haugen bill is. No wonder the paint industry is opposing it."

A warning, issued by *Railway Review* to industries generally, reads:

"There is a grim satisfaction, but no less keen regret, that it took the threat of governmental regulation, now in prospect, to make the automotive industry realize, at least in part, the predicament of the railroads.

"When the coal mines and the great oil interests also begin to express the same concern, and that day surely will come, it may be that business men everywhere will exert themselves, as they should have done long ago, if not to wipe out the entire bewildering maze of interference with private capital which has been choking the transportation companies for many years, then at least to insist that the legislative morticians do not further increase the burden."

Canadian Tariff Reductions Close Auto Factories There

MANUFACTURERS of motor cars and automotive parts in Canada are at a loss to know the ultimate effect the tariff reductions, announced in the Canadian federal budget April 16, will have on their operations. The drastic cut in duties has occasioned almost uni-



versal consternation among manufacturers of the United States with plants in Canada and Canadian makers as well.

The section of the budget affecting the automobile industry is summarized by *Michigan Manufacturer and Financial Record*:

"Duty on motor cars, of retail value of not more than \$1,200 and on motor trucks and motorcycles, reduced to 20 per cent for general tariff; 17.5 per cent for intermediate, and 12.5 per cent for Imperial preferment. The former general tariff rate was 35 per cent. The old rate on automobiles valued at more than \$1,200 retail will be reduced under the new budget to 27.5 per cent, the intermediate rate to 25 per cent, and the British preferment to 15 per cent.

"To encourage Canadian auto production a



"Industry's Electrical Progress" tells the story of savings through modern motor control in a concise, interesting form. It will quickly show you where your plant stands in relation to this outstanding industrial development of the century. Write for your copy today.



The consumption of electricity for industrial power has multiplied thirteen times since 1905. This is a true barometer of the progress made in the development of motor control. Competitive conditions today and the high cost of labor (where correct motor control means) demand the careful consideration of your plant's equipment. Your plant cannot afford the loss of obsolete motor control.



Has electrical progress left your plant behind?

THE electrification of industry has been an amazing spectacle—a wondrous development confined almost wholly to the few years which have elapsed since the opening of our present century.

Since 1905 the electric power consumed for industrial use has multiplied by thirty. In the last ten years alone, it has multiplied six times.

Such terrific expansion of an art means but one thing—staggering progress in equipment design.

In telephones, automobiles or radio receivers this perfection of equipment under pressing development may be more evident, but not nearly so vital to executives as the parallel progress made in electrical control for industrial motors.

Even completely motorized plants are often only partially efficient

Too often the men of industry consider the electric motor alone the symbol of plant efficiency. True, electric power with its flexibility, its ease of control, has brought a new standard of operating economy.

But motors by themselves are only brute force. The savings

in labor that result—the savings that add substantially to industrial profits—come through the proper use of motors. They come through the effectiveness of correct motor control.

Thirty years of engineering experience to show you the savings possible

Cutler-Hammer engineers, expert in the application of electric power for greatest efficiency are ready to counsel with your plant men or consulting engineers. Their recommendations are based on more than thirty years experience. Either in the proper choice of new equipment or in the revamping of existing drives, the services of these engineers are at your disposal without charge. And the control equipment that they may recommend will pay for itself in increased efficiency!

Too, you can be sure of the same high operation economy of equipment in which motor and control is incorporated as an integral part by the machine builder, by demanding Cutler-Hammer Control. The familiar C-H trade mark on all your motor control is the best assurance you can have that your plant is keeping step with electrical development.

The CUTLER-HAMMER Mfg. Co.

Pioneer Manufacturers of Electric Control Apparatus

1251 St. Paul Avenue

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Industrial Efficiency Depends on Electrical Control

Bruce Oak Flooring
THE BEST Oak Flooring



For the executive's office —the last word in floor refinement

BRUCE

This label appears on all bundles of Bruce oak flooring. Sold nationally through retail lumber dealers everywhere.

Environment is quite as important as efficiency in conveying the right impression. Certainly the modern trend toward dignity and rich simplicity in executive offices is in keeping with stability and permanence in the business institution itself.

Character is expressed in every play of light and shade in this beautiful herringbone design Bruce oak floor. A hospitable gracious atmosphere is also suggested, fitting to an interior that is virtually the business man's "home."

Herringbone is but one of many effective Bruce design patterns. Further opportunity for choice is afforded by red or white oak laid in strips, quarter or plain sawn, in different widths. This book illustrates Bruce oak flooring for both office and home furnishing. Write for it.

E. L. Bruce Co.

MEMPHIS, TENNESSEE

LARGEST MAKERS OF OAK FLOORING IN THE WORLD

When writing to E. L. Bruce Co. please mention Nation's Business



25 per cent 'drawback' will be paid on materials used in motor car manufacture, provided that at least 50 per cent of the cost of the finished article is produced in Canada. Aircraft engines and complete parts are free under Imperial preference, dutiable at 7.5 per cent under the intermediate and 10 per cent under the general classification until July 1, 1928."

The same journal continues:

"Automobile tops, wheels, chassis and complete bodies will enter Canada under the reduced rates of duty, as they are included in the custom item on automobiles, according to officials.

"Effects of the tariff proposals were felt during the week on the New York Stock Exchange and curb market. Heavy selling of automobile shares was featured. Ford Motor of Canada dropped to a new low of 470, compared with a high for the year of 655.

"The Canadian Manufacturers' Association estimates that 1,000 Canadian industries are affected by the reduction of tariff. Not only is it possible that the lower tariff and the price reductions, which will result, may give more business and greater profit to those American companies, which have heretofore manufactured in Canada, but also it opens the Canadian market in a considerable degree to all other American manufacturers.

"Automobile sales in Canada have been enjoying a fair degree of improvement since the first of the year, based on a comparison of the first quarter of 1926 with the first three months of 1925. The automotive division of the U. S. Department of Commerce reports larger and increased sales. Stocks on hand are moderate, while stocks that are being held in bond have greatly increased.

"Seventy-five Ontario municipalities have joined in a protest to Ottawa against the provisions of the new Canadian tariff. These city officials contend that the automotive tariff reductions should have been referred to the newly created tariff board."

"It is hoped that the new tariff will stimulate car sales in Canada, and thus result favorably for nearly all concerned," says *Automotive Industries*, "but it is pointed out that the reductions for the time being at least will benefit only buyers without trade-ins, as used-car values are automatically depreciated."

Commenting on the future of such legislation, it concludes that "while there is organized opposition, both by industry as well as in Parliament, little expectation of a change or modification is entertained. It is admitted that the reductions are very popular with the farmer element and the average person even in the industrial centers.

"The budget has never been voted down in the history of Canada, and though sometimes corrected in some details has never been changed in essentials.

"The principal gainers through the reductions, aside from the Canadian purchaser, will be American manufacturers who have had no Canadian plants. The others will probably decide to abandon manufacture and assembly across the border, with the exception of Ford of Canada and possibly General Motors which may expand its Chevrolet operations."

West Coast Lumber Supply Sufficient to Last All Time

HENRY SCHOTT, formerly a member of the editorial staff of NATION'S BUSINESS, and now manager of the West Coast Lumber Trade Extension Bureau, writing to the editor, calls attention to some little-known facts concerning the possibilities of Douglas fir. He writes:

"It is not commonly realized that the Douglas fir industry has placed itself on a basis of supplying America permanently with lumber. Manufacturing economies, new methods of logging and milling, of drying and grading the product have been perfected. Entire new cities and new harbors have been created, great docks built, fleets of vessels assembled in order that

the West Coast may efficiently supply America's lumber needs.

"But that is not all—a greater and more important factor commands the attention of every buyer and user of lumber. It is the fact that Douglas fir and other West Coast woods represent a lumber supply for all time to come. This is established not only by the vastness of the timber stands in the Douglas fir region but also because Douglas fir takes care of its reproduction so abundantly and completely restores cut-over land to mature tree bearing. Climatic conditions, fertility of soil and abundant moisture all combine to make possible a maximum reproduction in quantity and quality of timber in a minimum time.

"Conservative estimates base the life of the present forests at from sixty to 100 years at the present rate of cutting, yet lumbermen believe that with present-day fire protection and conservation methods, combined with natural reforestation, a new merchantable supply is here for all time. Proof of this rests in the fact that on the limited cutover areas that exist today over 3,000,000,000 feet of new timber is growing every year. Approximately a dozen seedlings spring up for every mature tree that is harvested. There are young forests in the Pacific Northwest today with trees averaging seventy-five feet in height."

Wild Stock Exchange Flurry Held Due to Greed and Fear

SPEAKING at Atlanta, Ga., before the Chamber of Commerce on "The Stock Market and the Public," Otto H. Kahn is quoted, in part, by *Commercial and Financial Chronicle*:

"A few words should be said on the subject of the recent wild price fluctuations on the New York Stock Exchange.

"Let me point out that the responsibility for such episodes of soaring 'ups' and crashing 'downs' belongs not to the Stock Exchange as such, because, after all, that institution is essentially a market, and all that those charged with its administration can do is to see to it that the goods dealt in are properly labeled, that no fake or otherwise objectionable goods are admitted, and that dealings are conducted honestly and with due and watchfully enforced safeguards for the public.

"The responsibility belongs primarily to those in and out of Wall Street who permit unreflecting desire for gain to make them rush in and buy, being somewhat apt in the process to engage themselves beyond their means, and the same impulse, or unreflecting fear, to rush in and sell. The two very worst counsellors in any situation are greed and fear. You are bound to go wrong when you listen to their hectic urgings.

"We have seen some of the very same persons who, in February, could see no limit to booming prosperity, proclaim vociferously, in March, the total doom of prosperity, and, in both instances, find far too many listeners and believers.

"Of course, the stock market, in its very nature, is bound to be subject to considerable fluctuations. There are sound intrinsic reasons why, within limits, stock prices cannot—and, indeed, should not—be stationary. Speculation—as distinguished from gambling—has a legitimate place and a useful function in the scheme of things economic. But episodes such as those which have marked the course of stock prices and so-called 'Wall Street sentiment' within the past two months, movements so extravagantly diverging from a reasonable equilibrium, constitute a generally harmful nuisance. They also constitute a reflection upon the steadfastness and sobriety of judgment of a portion of the community.

"It is no adequate rejoinder to point to objectionable activities of 'bull pools' and 'bear pools' and to denounce unscrupulous manipulators for the boosting or the depressing of prices. True, unfortunately, to a certain extent they are a factor in the general reckoning. True, they do give cause for just condemnation, per-



Are your advertising dollars earning dividends?

Operation

"When the budget system is used it provides a smooth and orderly method of procedure, stops unnecessary expenditure, insures adequate direct advertising at all times and furnishes funds in correct proportion to the value of the work it does.

"It eliminates frequent applications for extra money and removes this handicap from the advertising manager, leaving him free to concentrate on the effectiveness of the work under his direction."

Control

"Advertising is comparable to many other recognized forces in that it is an invaluable asset when properly harnessed and a dangerous element when it is not under easy control. It is one of the simplest things in the world to spend too much money for advertising and equally simple to spend too much for one form of advertising to the detriment of others."

HERE is a book, which, being virtually a text book, merits the serious attention of executives who are interested in the investment of money for advertising purposes and who hope to receive adequate returns for the money so invested.

It points the way to budgeting direct advertising expenditures in advance and on a basis that is logically related to sales activity.

The Direct Advertising Budget will be gladly sent free to executives who use, or who are in a position to use, direct advertising as a definite medium to reach and influence retail dealers, wholesale distributors or selected consumers.

Two editions of this book were quickly exhausted. Write today for your copy of the third edition.

EVANS-WINTER-HEBB Inc. Detroit
816 Hancock Avenue West



The business of the Evans-Winter-Hebb organization is the execution of direct advertising as a definite medium, for the preparation and production of which it has within itself both personnel and complete facilities: Marketing · Analysis · Plan · Copy · Art · Engraving · Letterpress and Offset Printing · Binding · Mailing

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BOOKS
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Records



CHOOSE KALAMAZOO LOOSE-LEAF-DEVICES-AND ACCOUNTING-SYSTEMS NOW-



THE ADVANCED
KALAMAZOO
FOR MACHINE
ACCOUNTING
A NEW EQUIPMENT
THAT GIVES NEW and
GREATER RESULTS

KALAMAZOO LOOSE LEAF BINDER CO.

Factories at Kalamazoo, Mich., and Los Angeles, Calif.

Sales Offices in Principal Cities

The Standardization of
record-keeping equip-
ment made possible by
this line means money
and time saved and
better records

FOR substantial business men
whose extensive activities
require banking facilities of cor-
responding size and breadth—



THE BANK OF AMERICA

ESTABLISHED 1812

44 Wall Street
NEW YORK

Trust Department Organized 1888

haps even, at times, for corrective action. But they could never be more than an ephemeral and limited influence. If they were not seconded by gullible crowds of 'get-rich-quick' devotees, on the 'long' or the 'short' side of the market.

"It is a regrettable spectacle to see people lose their heads and their money in this manner, and it happens altogether too frequently. To speak only of the recent past, a swing of the stock market pendulum, approaching and, in one year, even exceeding in violence that of last month, occurred in each one of the years 1923, 1924 and 1925.

"If we are to maintain that leading place among the great financial centers of the world to which we are entitled, it is incumbent upon us to demonstrate self-assurance and steadiness, and to avoid recurrent exhibitions of alternating ebullition and perturbation.

"A readjustment of stock prices from the giddy height to which some of them had been recklessly pushed, was called for and salutary. But it should have been an orderly falling back, not a panicky rout.

"The only circumstances under which, in a country with the resources, the resiliency, and the basic elements of ours, a temporary descent into the cyclone cellar becomes warranted are—leaving aside grave foreign complications—either manifestations of stark and persistent overproduction or overtrading, or the advent of a major credit disturbance, or acute monetary stringency."

Foreigners Credit Hoover With Drop in Rubber Price

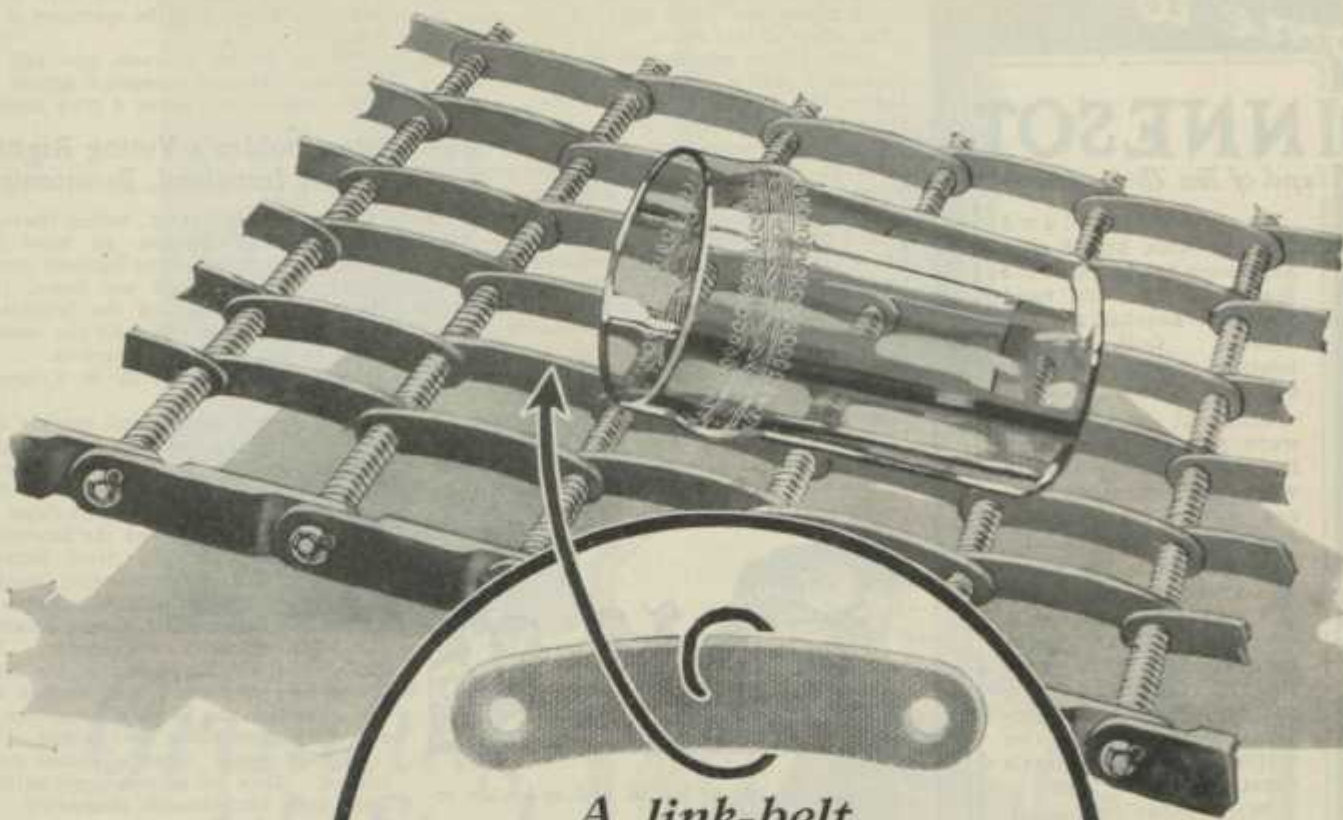
CREDIT is given to Mr. Hoover, and to the interest he aroused, by many of the English and European journals, for causing the price of rubber to fall, says *India Rubber and Tire Review*. "The Department of Commerce itself feels that its campaign of tire conservation has been extraordinarily effective," says the *Review*. This journal traces the developments of recent months, thus:

"When rubber was under a shilling a pound the British set 1s 6d (36 cents) as a fair average price. They said the Stevenson Act was designed to stabilize prices at that level. When rubber hit 50 cents and kept on going up they hastened to assure us that they were confident matters would soon adjust themselves to our complete satisfaction. When rubber reached a dollar a pound and when American manufacturers reminded the British of their '36 cent fair price' statements and demanded immediate relief from exorbitant crude rubber costs through modification of the Stevenson scheme, they chortled at our discomfiture and nonchalantly let it be known that they did not regard the situation as warranting any emergency relief action on their part.

"They explained that it was not the Stevenson Act but America's own 'short-sighted hand-to-mouth buying policy' which had sky-rocketed prices and inferred very suavely that 'dollar rubber' was a penalty which we had inflicted upon ourselves. They were frightfully sorry that prices had reached such vertiginous heights but really did not see where or how they could possibly do anything about it.

"Then came a combined onslaught against British high prices. The Rubber Association, Congress and Secretary of Commerce Herbert Hoover combined forces. Congress began to probe the British rubber monopoly and price crisis. Reacting sympathetically to this American action and the reams of publicity it encouraged, rubber toppled from its \$1.21 per pound pinnacle. Prices eased off rapidly as American manufacturers curtailed tire production and bought rubber sparingly, and as American motorists responded to Secretary Hoover's appeal for tire conservation. Rubber tumbled until it hovered around 60 cents a pound, even going lower for many days.

"Now the British want to hold rubber at a minimum of 60 cents. They shudder at the thought of prices going lower. Apparently they



A link-belt of Bakelite Laminated prevents breakage

Traveling belt with Bakelite Laminated links in the Champion Dish Washer, made by Champion Dish Washer Machine Co., Jersey City, New Jersey.

When these belt links of the Champion dish washer were made of metal, occasional breakage and chipping of china and glass was inevitable. Now that they are of Bakelite Laminated, breakage through contact with the belt is unknown.

In the words of the manufacturer himself, "Bakelite is the only non-metallic material that provides long life and immunity to wear. Hot water and steam will not affect it. The form of Bakelite that we use, being woven, cannot break up. It is impossible for the dishes to become marked or chipped on a Bakelite conveyor.

Due to its durable texture, Bakelite does not require metal plates to support it. This reduces the weight of the entire conveyor and consequently places less strain on the machine and con-

veyor and practically eliminates wear and replacements."

This manufacturer found in Bakelite Laminated the solution of a troublesome problem. It may be that some part in your own product, now made of other material, would be improved through the use of Bakelite Laminated. It is obtainable in sheets of various thicknesses and in rods and tubes of different diameters. We invite you to consult our engineers and research laboratories about the possibilities of Bakelite for your own product.

Write for Booklet 42

BAKELITE CORPORATION

247 Park Ave., New York, N. Y.

Chicago Office, 636 W. 32nd St.

BAKELITE CORPORATION OF CANADA, LTD., 163 Dufferin St., Toronto, Ont.

BAKELITE

REGISTERED



U. S. PAT. OFF.

THE MATERIAL OF A THOUSAND USES

"The registered Trade Mark and symbol shown above may be used only on products made from materials manufactured by Bakelite Corporation. Under the symbol 'B' is the convenient sign for identity, or unlimited quantity. It signifies the infinite number of present and future uses of Bakelite Corporation's products."

When writing to BAKELITE CORPORATION please mention Nation's Business

Come to MINNESOTA

The Land of Ten Thousand Lakes

Come to the land fraught with health and happiness for you and the family. Luxuriant sand and safe beaches for the kiddies. Golf, tennis, boating and swimming for their elders.

Miles of smooth highways promise the motorist real pleasure while wherever you roam you are never far from a comfortable resort hotel.

Minnesota is the heart of a great trade territory and yearly thousands who come to play remain to stay and grow with this rich section of the country. Investigate Minnesota's opportunities while taking this year's vacation.

Write today for beautiful vacation booklet and up-to-date road map.

The Ten Thousand Lakes of Minnesota Association

Executive Office
646 Merchants Bank Bldg.
St. Paul
Minnesota
Minneapolis Duluth



MAIL THIS COUPON

I am interested in:
☐ Furnished Cottage
☐ Motoring ☐ Golf
☐ Fishing ☐ Canoeing
☐ Resort Hotels

Name _____

Address _____

have forgotten completely their erstwhile assurances that they would be satisfied with 36 cent rubber and could return a fair profit for themselves at that figure.

"The British agitation of some sort of a co-operative selling organization to hold rubber prices at a level satisfactory to them, has been crystallized into action. It is reported authoritatively from London that recently at the instigation of the Rubber Growers' Association of Great Britain, the leading British rubber producers and agents met and secretly agreed to stand pat on a certain 'fixed price' and to withhold their supplies from the market should the price trend fall below this mark."

That sentiment in Brazil is not all for high prices is evidenced by the following excerpt from an article in *O Estado de Sao Paulo* as quoted in *Boletim Commercial*, of Santos:

"We ought not to persist in a policy of creating unreasonably high prices, which act unfavorably upon the consumer, and favor the growing current of antipathy through the 'imposition of price on the part of Brazilian producers,' as is alleged by those interested in ex-



panding the sale of tea, as well as by the exultant speculator.

"We ought not to establish prices, but rather 'market condition' in order that the prices may be offered by those interested in the development of transactions; that is, the purchaser, and his lack of ability to crush the planter. Let the prices be the real value of coffee, based upon supply and demand with relation to distribution during the twelve months of the year from July to June."

The *Review* cites foreign journals as follows:

"Even though British growers have resorted to secret price fixing to defeat a return of rubber prices to economically fair levels, there is evidence of a growing sentiment in England against carrying the British monopoly to extreme ends. Numerous British publications have made significant comment upon the American congressional crude rubber probe and the agitation favoring tire conservation, instigated by Secretary of Commerce Herbert Hoover.

"The *Manchester Guardian* criticizes the monopolistic policy of British rubber growing interests, calling attention to the fact that the curtailment of British exports under the Stevenson scheme has encouraged increased planting by the Dutch and has resulted in the British supply falling from three-quarters of the world's total to less than one-half. The *Guardian* says editorially: 'It does not follow that we are wise in treating rubber as though we had a monopoly of the supplies and in getting a price for it which is several hundred per cent higher than would give a reasonable profit to the industry.'

"The *London Economist* similarly points out the suicidal effect of the curtailment of production and export through a monopolistic control and says 'The whole story is an instructive lesson of the ramifications of effect which arise from government interference with the law of supply and demand.'

"The *Malayan Tin and Rubber Journal* also voices apprehension on the score that through the operations of the Stevenson scheme the production of Dutch rubber has been 'unduly stimulated.'

"The *Westminster Bank Limited Review* comments that "Artificial" national control of raw materials is a theoretically feasible, though not an economically desirable, proposition," while the *Manchester Guardian* says 'The calmer minds on both sides of the Atlantic seem to be agreed that in the long run government

measures of restrictions are always ineffective, and that the most they can hope is to delay, but never to prevent, the operation of economic laws.'

"Many British Journals give full credit to Secretary Hoover's campaign against the high rubber prices, as causing a price recession."

Stockholder's Voting Rights Not Impaired, Economist Says

NON-VOTING stock, voting trusts, mergers and consolidations go hand in hand through the pages of the business press and as topics of interest will not down. Professor Ripley of Harvard and the Interstate Commerce Commission still hold the center of interest in the editorial discussions.

Lawrence Dale, writing in *Commerce and Finance*, says:

"The present great moral crusade on behalf of the supposedly downtrodden stockholder has certainly aroused the world to his wrongs. It has drawn the sympathetic attention of those in the highest places—President Coolidge, the New York Stock Exchange and the Interstate Commerce Commission. The Stock Exchange has refused to list two non-voting stocks. The Interstate Commerce Commission has decided against the Nickel Plate merger because of injustice to minority stockholders. Professor Ripley and Mr. Lippmann of the *New York World* have denounced concentration of industrial control in the hands of promoters through a device of disfranchising stockholders.

"In the public mind all these events are lumped. They are all considered battles in the great fight for economic democracy. In fact, they are not. The voting trust decision has none but an academic relation to the question of non-voting stock. The voting trust is historically a device for carrying a business through an emergency. It is invariably of limited duration. It is frequently depended upon in the reorganization of companies where the old security holders might refuse to participate unless assured against changes in the management.

"As a matter of fact, where voting trusts have been instituted they have generally been the only means of making the stockholder's vote effective. With the voting trust he is assured that the plans he wants will be carried out by the men he wants.

"Denial of the right to institute a voting trust is a denial of the right of the legitimate



investor to use his privileges most effectively. It is an infringement on his lawful powers in favor of the whims and schemes of the professional minority stockholder and the financial buccaner.

"On the whole, a study of the history of the voting trust makes it difficult to understand why it has been so frequently singled out for attack. Probably those who have argued against it have been impressed by the forbidding potentialities of concentrating power."

Professor Ripley, who, as special examiner for the Interstate Commerce Commission, formulated the plan for consolidation of railroads, is more optimistic about the future of the railroads under consolidation than he was for the rights and chances of the non-voting stockholder, as reported in these columns several months ago.

Discussing the merger of our railroads in *World's Work*, Prof. Ripley says:

"All told, then, is there not an encouraging outlook ahead? Remember the conditions, but



Grinding and the Steel Industry



A SURPRISING number of manufactories are dependent to a great extent upon the steel industry. The steel industry in a large measure is dependent upon grinding, upon the modern grinding machines and grinding wheels. Immense rolls up to 28 ft. long are ground to a high degree of accuracy on Norton Roll Grinding Machines. Hundreds of tons of Norton abrasives in the form of grinding wheels are employed in the finishing of billets and castings. Grinding has made practicable the working of manganese and many other steel alloys opening up a wider field for hard, tough metals.

Thus grinding is contributing to this great industry—this key industry.

Norton Company, Worcester, Massachusetts

Bauxite Plant—Bauxite, Arkansas

Abrasive Plants—Niagara Falls, N. Y., and Chippawa, Ont.

Grinding Wheel Plants—Worcester, Mass.; Hamilton, Ont.; La Courneuve, France; Wesseling, Germany

NORTON

Grinding Wheels
Grinding Machines



Refractories—Floor
and Stair Treads

Method

Success, the attainment of a definite purpose, comes with the introduction of method. The development of method made business a science. And the science of business, like any other science, is simply the knowledge and understanding of facts and figures, coordinated, arranged, systemized for practical timely use.

ERNST & ERNST

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SYSTEM SERVICE

NEW YORK	CLEVELAND	DETROIT	MINNEAPOLIS	NEW ORLEANS
BUFFALO	CINCINNATI	GRAND RAPIDS	ST. PAUL	JACKSON
ROCHESTER	TOLEDO	KALAMAZOO	DAVENPORT	MIAMI
BOSTON	COLUMBUS	PITTSBURGH	ST. LOUIS	TAMPA
PROVIDENCE	YOUNGSTOWN	WHEELING	KANSAS CITY	DALLAS
PHILADELPHIA	AKRON	ERIE	OMAHA	HOUTON
BALTIMORE	CANTON	CHICAGO	DENVER	FORT WORTH
WASHINGTON	DAYTON	MILWAUKEE	SAN FRANCISCO	SAN ANTONIO
RICHMOND	LOUISVILLE	INDIANAPOLIS	LOS ANGELES	WACO
	MEMPHIS		ATLANTA	

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NATION'S BUSINESS, Washington

EXECUTIVE WANTS POSITION

President small manufacturing company. Formerly official large progressive company. Knows buying, selling, production, office management, corporate and fiscal matters, finance, etc. Any salary or position with prospects considered. Will go anywhere. Adaptable. Can take and give orders. Highest references. Let me give you particulars. Box 35 care

NATION'S BUSINESS, Washington

H. S. MIDDLEMISS

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a few years ago, when the roads were turned back to their owners by the government! It is almost like seeking to recall those trying days of the war when the British stood with their backs to the English Channel.

"It has been no mean achievement to bring these properties up to their present high state of efficiency. Only two requirements remain to be fulfilled: namely, a slightly more generous rate level, here and there, and a vigorous and consistent attitude toward consolidation.

"Those things accomplished, and our railroad matters would seem to have been firmly established on a secure and lasting foundation."

The *Literary Digest* lists the consolidations submitted, or likely to be submitted, to the Commission, as reported by the financial section of the *New York Evening Post*:

"Illinois Central's acquisition of control of the Alabama & Vicksburg, and the Vicksburg, Shreveport & Pacific.

"Norfolk & Western's lease of the Virginian Railway.

"Delaware & Hudson's contract to lease and operate the Buffalo, Rochester & Pittsburgh.

"L. F. Loree's plan to link the Kansas City Southern, Missouri, Kansas & Texas and St. Louis Southwestern roads.

"St. Louis-San Francisco's proposal to take over the Chicago, Rock Island & Pacific.

"Atlantic Coast Line's unification of itself and the Louisville & Nashville and the Carolina, Clinchfield & Ohio, controlled roads, into one organization.

"New York Central's absorption of its three principal subsidiaries, the Michigan Central, the Cleveland, Cincinnati, Chicago & St. Louis (Big Four), and the Pittsburgh and Lake Erie."

"The New Republic" Criticizes Recent Nation's Business "Ad"

AMONG the comments on recent articles in NATION'S BUSINESS was the following, which appeared in *The New Republic*:

"A few days ago, a large advertisement appeared in metropolitan newspapers signed by NATION'S BUSINESS, the monthly magazine issued by the Chamber of Commerce of the United States. Under the title, 'Were You One of the 4,000,000?' it proceeded to attack the record of the state-owned enterprises in North Dakota during the Nonpartisan League régime, summarizing for that purpose the statements made in articles in the March issue of the magazine.

"The contention of these articles, endorsed by the magazine, is that government operation won't work. The 4,000,000 persons referred to are those who voted for La Follette in 1924. The articles argue that the North Dakota experiment shows government ownership to be impracticable, that the 4,000,000 were wrong, and that the country should avoid a repetition of such attempts. 'At this moment,' says the advertisement, 'the legislature of a great state is considering a similar housing plan; Congress is debating subsidized marketing on a grand scale and the operation of a gigantic power project.' All of which should be rejected.

"In a subsequent issue of *The New Republic* we shall have something to say about the specific charges of failure against the North Dakota enterprises; at the moment we wish to point out the unfairness of the reference to Governor Smith's housing plan in New York.

"It is typical of many other comments in rigidly conservative capitalistic quarters, where the attempt has been made to show that the enterprise is 'socialistic.' Sensible men should not be afraid of a phrase; but even if the connotation were as undesirable as NATION'S BUSINESS presumably believes, it would be undeserved in this case.

"The Smith housing plan is not an adventure in government ownership. It does not propose to lead state money for the houses to be built under it. It calls for private corporations which shall work under state supervision, and shall be clothed with power of condemnation.

"It is true that a state housing bank would



"Hello there— Why, it's Tom!"

Yoho Glacier . . . in August. Snow and flowers and a sky so blue it'd make a professional turquoise sick. Air you could bottle and sell in New York for five dollars a sniff. A Rocky Mountain goat to the right—he knows he's in the Park. And the promise of a moose down-valley . . . that tremendous toboggan-slide valley that takes off from where Dimple's nose is down in the grass.

Tom's a rolling stone. Born in Liverpool. Sailed at eleven on his own. Knocked about ever since—British Army in India—border rows—South Africa—in the Great War, of course. Loves a horse Meantime, here—your guide and genial cynic.

Tomorrow you leave on a week's trip up a valley with twelve waterfalls, ten glaciers and the remains of an old mine trail. Never been seen except by Indians and hunters. You and a moose are due for a swim in the same lake at the same time. He doesn't mind if you don't . . . Back to the bungalow camp for breakfast. Did you ever taste such food? Twenty-five dollars a plate wouldn't buy it in Chicago unless you could sauce it with a Rocky or two

Say, who are you? At home, you're President of this, that and the other, and the Boards you're on would roof the City Hall. Here, you're the man you thought you'd live to be when you were ten—the man who has everything he wants . . . and *keeps on wanting it.*

The reason? You didn't let anyone dictate your holiday this year. You consulted the great international authority on how to use one month as insurance for the other eleven.

To be one jump ahead of the other fellow—jump sideways first . . . for a holiday. To find your first pep and your second mental wind, try the holiday at those Bungalow Camps in the Canadian Rockies.

Canadian Pacific Agents:

Atlanta, 49 N. Forsyth St.
Boston, 405 Boylston St.
Buffalo, 160 Pearl St.
Chicago, 71 E. Jackson Blvd.
Cincinnati, 201 Dixie Terminal Bldg.
Cleveland, 1010 Chester Ave.
Detroit, 1231 Washington Blvd.
Kansas City, Mo., 601 Railway Exchange Bldg.
Los Angeles, 621 S. Grand Ave.
Minneapolis, 611 Second Ave. S.
Montreal, 141 St. James St.
New York, Madison Av. at 44th St.
Philadelphia, Locust at 15th St.
Pittsburgh, 338 Sixth Ave.
Portland, Ore., 55 Third St.
San Francisco, 675 Market St.
Seattle, 1320-22 Fourth Ave.
St. Louis, 420 Locust St.
Tacoma, 1113 Pacific Ave.
Washington, D. C., 905 Fifteenth St., N. W.

Canadian Pacific

The World's Greatest Travel System



Seattle Harbor.

If You Don't Know The Pacific Northwest YOU'RE OUT OF STEP WITH AMERICA!

Why not plan a two-purpose vacation this year? Get acquainted at first hand with one of the fast-growing sections of America; and, at the same time refresh and revitalize yourself among the scenic wonders of The Charmed Land.

Your interesting, educational trip westward through the Zone of Plenty will reach its climax at Seattle, the amazing, one-generation city of more than 400,000, which is the metropolis of The Pacific Northwest. With Seattle, colorful seaport key to the Orient and Alaska, as your base make daily excursions in comfort. Rough it in luxury. It's never too hot. Daily average summer temperature, 62 degrees. Sleep "tight" every night and feel like a two-year-old.

And, while you enjoy a remarkable vacation, you will be gathering facts about this section which has developed so remarkably. You will see the re-

sources of timber, mineral, fish; see the water power, developed and potential; see the tremendous resources in the farming and horticultural districts; see the significance of Seattle's location and the reasons for its industrial growth.

Decide now to bring the family to Seattle this summer. Special low, round-trip fares May 15 to September 15. Business men, manufacturers, investors, write for copy of authentic facts booklet: "Seattle, an Industrial, Commercial and Investment Opportunity." For interesting vacation suggestions ask for free, illustrated booklet: "Seattle and The Charmed Land." Room 107, Chamber of Commerce, Seattle, Washington.

PACIFIC COAST EMPIRE TOUR Washington, Oregon, California

See "All the Pacific Coast" this summer—the biggest transportation bargain you can find. Come out over one of the four northern transcontinental lines. See Seattle, Spokane, Portland, Tacoma; then, by rail or water, to Oakland, San Francisco, Los Angeles and San

Diego. Or, reverse the route; come north by train or steamer from San Diego. Ask about the seven national parks on this "All Coast Tour." Ask about trips to Alaska and Hawaii. Nowhere else can you see so much or do so much for so little. See "All the West" in 1926.

The TRIP of a lifetime; REMEMBERED a lifetime!

Seattle

Metropolis of the Pacific Northwest

be set up which would issue bonds and lend the proceeds to the private corporations for their use; but that such machinery can by any stretch of the imagination be called an experiment in government ownership not even such a reactionary journal as *Nation's Business* can maintain.

"The Port of New York Authority, now functioning successfully, which issues bonds and can own and operate terminal facilities, is far more socialistic. The Metropolitan Life Insurance Company, hardly an exponent of radical theories, is supporting the housing proposal."

Growth of Country's Wealth Brings Out Varied Opinions

D. R. W. T. FOSTER, economist of Newton, Mass., whose article "What Is Business Without a Buyer," written in collaboration with Waddill Catchings, appears on page 27 of this issue of *NATION'S BUSINESS*, appearing before the House Committee on Banking and Currency at the hearing on the bill introduced by Representative Strong, of Kansas, which would attempt stabilization by requiring the Federal Reserve Board to fix the discount rate so that it would maintain the price level, pointed out, according to *American Metal Market*, "that the time is sure to come when the flow of money to consumers is not sufficient to take away the goods of the producers that are on the markets. A fall in the price level is then the only way of distributing these goods, he declared. When we expand money, he continued, we expand it on the producers' side, little being done in the way of financing consumption.

"There has been much along this line in the last two years because of the unprecedented increase in instalment sales," he told the committee. "The automobile has done for us in the way of prosperity in the last ten years what the railroads did prior to that period."

"He defined 'inflation' as an expansion of the volume of money in circulation accompanied by an increase in the volume of business on a given price level.

"Asked by Chairman McFadden of the committee if we are in a period of inflation now, he replied in the negative, adding 'we apparently are in the beginning of a period of deflation. We could produce with our present capital facility 50 per cent more if we had the market,' he said. 'In the tire industry alone there are 216 producers where six could satisfy the demand.

"There is no dearth of capital. Commercial banks are buying securities because they don't know what to do with their surplus money.

"There is an undue amount of capital invested in almost every industry. There has been plenty of money for the last five years. Statistics do not show that increased taxes have hurt the volume of money available.

"Our present organization of industry and finance is such that we are constantly creating facilities for production in excess of the needs of available consumers," he asserted. "The average person cannot understand why with all the new improvements in production and the saving devices his dollar will not buy much more. Therefore, there is a real reason for his not being entirely satisfied, as well as a responsibility on the people who think to see that a remedy is provided that will retain the good in our present society, and most of it is good."

Iron Age takes a somewhat different view of wealth and savings out of income, as follows:

"Growth of the wealth of the country has been due to savings out of income, invested in things of permanent value. The matter of earning power is a detail. If the enterprise produces tangible returns, the returns become a part of income and thus subject to saving. Highways are productive but do not yield a measurable return. Public buildings may not be productive but are part of the wealth.

"The criticisms of the past few years, that the people are doing too much instalment buying, carries an inference that they are not saving as

they used to do. If so, the wealth of the country is not increasing as it used to increase. Many observers, not reasoning from this basis, but endeavoring to make appraisals of the wealth that actually exists from time to time, have reached this conclusion, that we are not adding to our wealth, in annual percentage accretion, as we used to do.

"Herein lies an economic problem that seems to be quite new. If productive, or earning, enterprises do not increase in the proportion to total income that used to obtain, then as the country grows the productive capacity does not grow correspondingly, and productive enterprises might expect better profits in future, their profits in the past few years having been disappointing and unsatisfactory.

"On the other hand, if the people have been extravagant in instalment buying, they may not be able to offer in future the patronage that their incomes would warrant when not saddled by debt.

"In other words, it would seem that, if there is much unsoundness in the present economic structure, it lies in the position of the people as individuals and not with the productive enterprises. Past experiences have not made such a condition familiar. Depressions in the past have been most commonly ascribed to overexpansion in productive capacity. Now the chief criticism has been that too much money has been going into unproductive things of short life.

"Merely the change from investing savings in productive enterprises to the spending of savings in articles for personal use cannot be criticized from an economic or business standpoint. Society has a right to change its habits in this respect, and no amount of preaching, if indulged in, would lead it to revert to the older habits. The question is not whether what the people now want is good for them, but whether they can afford as much as they think, and what will be the results.

"We shall not have to wait long to find out how things really are going. If we build too much railroad mileage, as we did twice in the past, it requires a wait of several years for the country to grow up so as to give the investment the proper earning power. If the people buy too much in proportion to their income, it will take only a short time for their circumstances to bring them up with a turn."

American Metal Market agrees that the danger lies with the individual. To quote:

"The fear, in one form or another, of production, has been one of the dominant feeling in business men's minds for generations. The feeling is natural enough but the conclusions frequently drawn are quite erroneous.

"The error arises from failure to differentiate between the position of the individual and the position of the people of a given country or of the whole world.

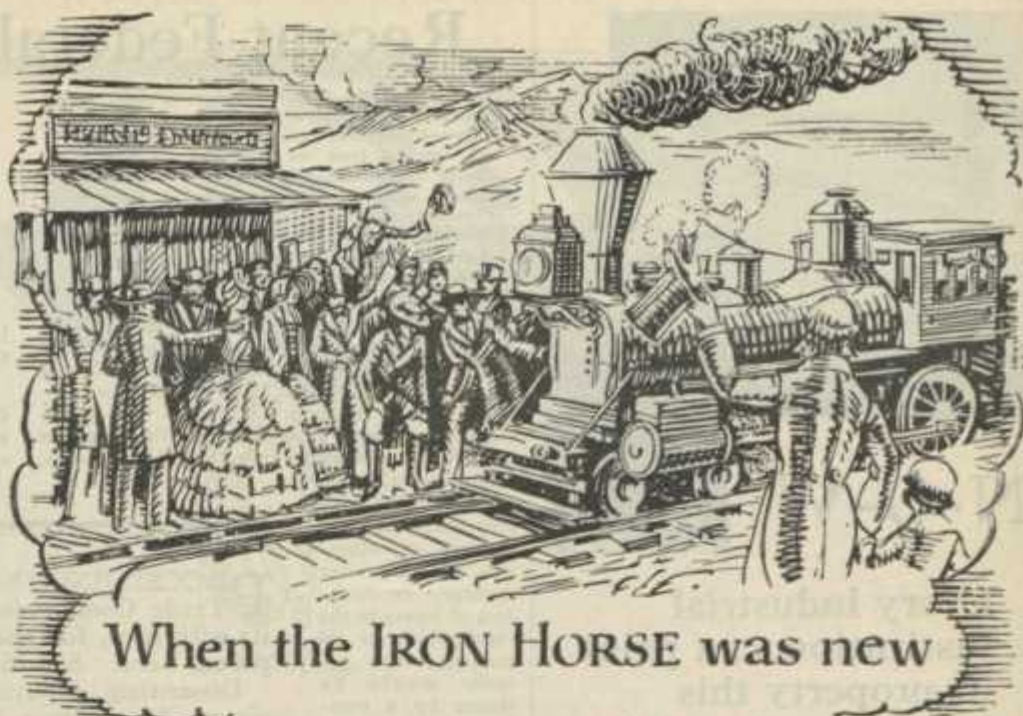
"We produce to sell, we sell to get money, and we get money to buy. The final objective is really the goods or services we get. The individual is quite right in thinking much of production in the case of his particular line, and little of production in general, for the former is a small mass, big to him, and the latter a big mass, small to him. There is a natural viewpoint, and a perfectly proper one.

"The impropriety comes when the view is translated to all the people of a country or the people of the whole world.

"The cases of the individual and of society are totally different. We are here to produce, for if not, why do we? The more we produce the more we shall have.

"Those who produce need other production so that there will be things for them to consume, and from the other angle, when one produces he becomes a consumer. You cannot, so to speak, have customers unless they are producers.

"Production, in other words, begets consumption and more production. We can apply that to our own domestic affairs and also to affairs abroad. We should not fear Europe becoming productive. We should get some of the products, for our enjoyment, and should find better customers."



When the IRON HORSE was new

NOSING through the wilderness, riven mountains and conquered prairies, puffed the *Governor Stanford*, first locomotive on the Central Pacific.

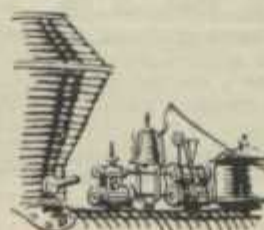
Motley crews of workers laid their rails in the newly tramped dirt—sunk home the spikes in ties but freshly hewed. Close on their heels, the "Iron Horse" settled the ties in the soil ere the holding spikes had ceased to quiver from the sledge blows.

Mounted behind the stack on the *Governor Stanford* a Worthington direct-acting steam driven pump—helped to quell fires in the Sierra forest—pump out excavations—fill supply tanks.

These sixty-three years of interval have wrought a great change in American railroading and industry.

—But the same qualities of exacting workmanship and advanced engineering thought that made the old Worthington Pump give good service in 1863—are today, in the large variety of Worthington Products, upholding its early tradition. WORTHINGTON IS YOUR ASSURANCE OF TRUSTWORTHINESS IN MECHANICAL EQUIPMENT—be it a pump—Diesel Oil Engine—Condenser—Meter—Gas Engine—Compressor—or Locomotive Feed-water Heater.

WORTHINGTON PUMP AND MACHINERY CORPORATION
115 BROADWAY, NEW YORK CITY
BRANCH OFFICES IN 24 CITIES



WORTHINGTON

Worthington (Knowles built)
direct-acting steam driven pump
on the *Governor Stanford*.



N-O-W

Every Industrial Institution can paint its property this quick and Easy Way

"SPRAY-PAINT"—one man with a Binks portable Spray outfit can do the work of five men with hand brushing and do a more thorough job of it. You can transform dark shops and offices into light, sanitary workrooms at a low cost. Let brightened court walls and elevator shafts reflect light in place of gloomy shadows.

Any Workman Can Operate a BINKS PORTABLE SPRAY OUTFIT

—and the cost is nominal. If you own or operate industrial buildings or equipment look into "Spray-Painting." Binks Equipment costs too little to be without and saves enough to make your small investment pay for itself at once.

Once you employ a Binks Portable Spray Outfit to reduce the maintenance cost of your property and factory equipment, your investment is made for all time. There is nothing to replace—no brushes to wear out. All you need is paint. The Binks Spray Gun takes all paints and finishing coats from light stains to heavy lead, oil and aluminum paints.

Write for interesting Bulletin on industrial maintenance—the plain facts will prove interesting and worthwhile. Write today.

BINKS

SPRAY
EQUIPMENT
COMPANY

3128 Carroll Avenue

Chicago, Ill.

Offices in Principal Cities

The World's Largest manufacturers of Industrial Spraying Equipment

Recent Federal Trade Cases

Copies of the Commission's complaints, respondents' answers, and the Commission's orders to "cease and desist," or of dismissal may be obtained from the offices of the Federal Trade Commission, Washington, D. C., without charge by reference to the docket numbers. Transcripts of testimony may be inspected in Washington, or purchased at 25 cents a page from the official reporter, whose name is obtainable from the Commission.—*Editor's Note.*

ONE-HALF the advertising included in American magazines would be eliminated if the Commission's order against a mattress manufacturer (Docket 1133) should be sustained and if the policy it defines were to be enforced, declares Commissioner Humphrey in an opinion dissenting from the Commission's action requiring, he says, that the concern "must not, by pictures, or otherwise, show a greater resiliency or thickness of layers in the construction of its mattresses, than actually would be shown by a completed mattress thereafter opened up."

The complaint questioned the resiliency of the material used in the mattresses, as indicated in pictures, and charged that the public was deceived by the concern's representations. On this phase of the case, the dissenting opinion asserts that

the pictures assume to show the construction of the mattress in its unfinished state, the thickness and the resiliency of the layers before compression and not afterwards—and this is the theory of the complaint. But the order is based upon the theory that cotton after compression, without regard to the time or the amount of compression, will, when released therefrom, assume its original resiliency and condition. The whole order is entirely outside the complaint, unsustained by the evidence, and contrary to common knowledge and common intelligence.

Of truthfulness in advertising, Commissioner Humphrey wrote:

The order is an attempt to compel truth in advertising. It will be noticed that the order allows no room whatever for exaggeration. It eliminates the thrilling and time-sacred art of "puffing." The order in each paragraph allows no latitude whatever, but says that the picture must "actually" represent the exact thickness of the layers of cotton used in the construction of a mattress when such layers are released from a completed mattress. No limit of time or use is specified.

... It does seem to me that if we are going to attempt to enforce such rule of exact truthfulness in advertising, we should commence on quacks, the fakes and crooks that

fill the magazines of the country with their false and misleading statements about their methods, remedies and nostrums for beautifying the hopeful and credulous, for helping the afflicted and suffering and unfortunate, rather than upon a concern engaged in legitimate business and which has for the last twenty-five years maintained the highest reputation for honesty and fair dealing.

The testimony of witnesses in this case was immaterial and misleading, to the dissenting Commissioner's mind, for, in his opinion:

The authorities fully sustain the proposition that in cases of this character the findings and order of the Commission are more likely to be correct if based entirely upon the inspection of

the picture, all other evidence being excluded. All of the testimony of all the witnesses throws no light upon the tendency or capacity of this picture to deceive the ordinary purchaser. All such testimony only has a tendency to confuse.

I hope this question of evidence may soon be decided definitely by the courts, for if I am right in my conclusions, the Commission is annually wasting thousands of dollars in securing incompetent and immaterial opinion evidence.

USE of false and misleading statements in the sale of snap fasteners and in the sale of vegetable and flower seeds is banned by the Commission in an order directed to two business men of Lancaster, Pennsylvania, trading as a specialty company and as a seed company (Docket 1333). Investigation of this case disclosed, the

Commission reports, that the dealers misrepresented the number of packages of fasteners or seeds agents were required to sell before they could be eligible for a premium. Many of the agents were children, the Commission says. Representations were made that some of the seeds were grown in Lancaster County, but as a matter of fact, the commission contends, none of the seeds is grown in that county. The order prohibits the

publishing or circulating of any catalogs or other advertising matter in interstate commerce which contain false or misleading statements as to the number of snap dress fasteners or vegetable and flower seeds it is necessary for an agent to sell to entitle him to a premium.

And further, the order prohibits,

falsely advertising the character, quality or origin, of the seeds sold by the respondents, specifically as to tests given seeds for purity and germination; prizes which seeds sold by them have won; the place where any seeds



Time to Re-tire
Get a FISK
TRADE MARK REG. U. S. PAT. OFF.

"Uninterrupted Service— A Decided Asset"

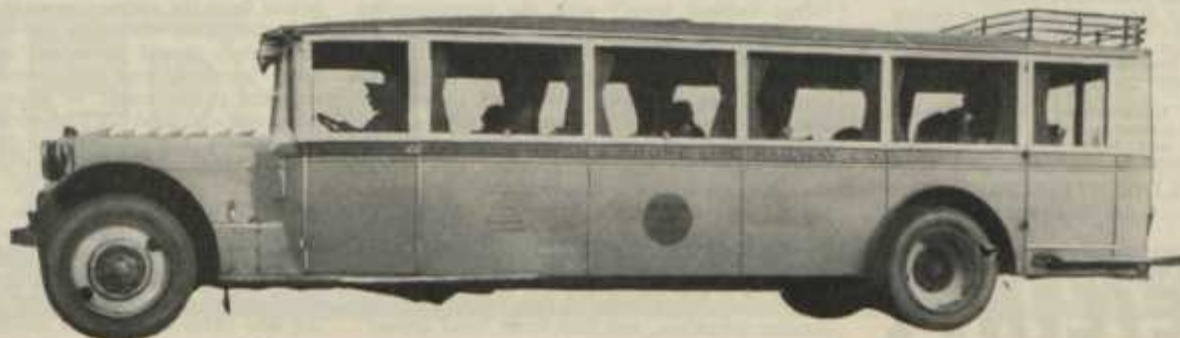
Read this letter from Mr. W. W. Walker, General Manager
The New Haven and Shore Line Railway Co., Guilford, Conn.

"We operate Motor Parlor Coach Service Daily between New Haven and New London.

"We welcome this opportunity of advising you of our satisfaction with your transportation cord tires. The tires have given us uninterrupted service, not only during our summer season, but also during the past winter which has been very severe. In addition to satisfactory mileage the tractive and non-skid feature of your tread design has been a decided asset to us."

*Fisk Transportation "Fillerless" Cords
are made in all bus and truck sizes*

The Fisk Tire Company, Inc.
Chicopee Falls, Mass.



Opportunities Galore for Industrial Plants at

Hickory

NORTH CAROLINA

A City of Communities

Hickory, a live city of 15,000, made up of five bustling progressive municipalities in Western North Carolina, has distinctive advantages for additional industries.

This is THE CENTER OF CHEAP HYDROELECTRIC POWER DEVELOPMENT. Raw materials: Forest products, cotton, pottery, clay, moulding sand, minerals, small fruits. Unlimited supply of soft water for all purposes, including manufacture of RAYON. Ample native white labor. Excellent transportation facilities; on two railways and paved highways. Satisfactory freight rates; receptive banks. Marvellous moderate climate, summer and winter; 1,160 feet above sea; new modern hotel and dandy place in which to live and enjoy life.

Consider HICKORY for that Rayon or cotton mill, furniture, wagon, overalls, hosiery, pottery, preserving factory, etc.

A Few of the Established Plants

Elliott Knitting Mills, Ivey Cotton Mills, Piedmont Wagon Co., Highland Cordage Co., Hickory Furniture Co. and scores of others.

Send for Survey of Hickory

For general or specific data, address—

Chamber of Commerce

Hickory, N. C.

BUILDING CRASHES IN FIRE



Although of modern construction, the Austin Building collapsed in the Burlington Fire, Chicago, March 15, 1922. A Meilink Built Safe fell six stories. A mass of wreckage and debris crashed down on top of it. Yet it delivered its contents without loss.

Are you protected this well? The loss of your valuables may mean your business ruin. Nothing less than Meilink protection is enough.

Meilink Built Safes afford better protection because they are built better. Stronger! Heavy steel frames and shells, torsion bars, stay rods and braces. Exclusive patented construction. Thermocool insulation. Resists fire, great strains and burglary.

"A" and "B" Underwriters' Label. 20% lower rate burglary insurance. Over 50,000 Meilink Built Safes in use. Write for book "A Record of Better Protection".

THE MEILINK STEEL SAFE CO.
Dept. B. TOLEDO, OHIO

Better Protection
MEILINK
BUILT SAFES

sold by them are grown; and the source from which seeds are obtained.

BEVERAGES not what they seem must be labeled to disclose the exact nature of imitation is an implication of the Commission's order against a Chattanooga manufacturer of a concentrate. The order requires the concern to discontinue the use of the name "Good Grape" in connection with its product unless accompanied by an explanation indicating that the content is "imitation grape—not grape juice," or other qualifying words in letters equally as conspicuous as the words "Good Grape" (Docket 1186).

This concern, according to the findings, has nationally advertised its product under the name "Good Grape," and in addition has used the phrase or slogan "Fruit of the Vine," and has also by pictorial representations and by other means created the impression in the minds of the public that its product is composed of grape juice, but as a matter of fact, the Commission asserts, "Concentrate No. 1" contains a percentage of grape wine which is not the juice from the natural fruit of the grape; and "Concentrate No. 2" does not contain any grape juice or grape wine. The beverage when sold to the public, the Commission reports, contains less than seven-tenths of one per cent of the product of the grape which the Commission believes is not sufficient to color or flavor the beverage.

None of the advertisements indicated, the Commission contends, that the product was imitation grape, or artificially colored or flavored. The words "imitation, artificially colored and flavored" appeared on the bottle caps used by the concern's customer bottlers, the Commission explains, but in such small letters that they were difficult to read except by careful scrutiny. The findings also state that the cap is usually removed before the customer receives the bottle, and because of that removal he does not know that the product is an imitation. The concern's advertisements, the findings conclude, create in the minds of the consumers an erroneous impression that "Good Grape" is made entirely from the fruit of the grape and is grape juice.

Commissioner Thompson dissented on the ground that the correction sought by the order is "obviously impracticable," and his opinion expresses belief that in this case, as well as in all others of similar character, the label should either state in fact what the bottle contains, or refrain from any statement in the description that is misleading or untrue, even though an attempt be made to explain the contents somewhere else on the bottle, carton or article by other language.

DESCRIPTIONS used by a Chicago mail-order company in selling wearing apparel ran afoul of the Commission's sense of truth in advertising, and the Commission has recorded its objection in a prohibitory order intended to stop the practices alleged unfair (Docket 1349).

According to the findings, the company sells wearing apparel for men, women, and children, direct to the consumer. False and misleading descriptions were used by the company, so the Commission says, in offering its goods for sale. Some dresses were described as "wool finished serge" with the accompanying statement that the company loses money on every such dress sold, when, as a matter of fact, the Commission reports, the dresses so described are composed wholly of cotton and are sold at a profit. Dresses composed of about 88 per cent cotton and 12 per cent silk were offered for sale, the findings state, under the designation of "Canton Crepe Genuine Silk."

Other misrepresentations alleged were to the effect that some coats, really trimmed with a material imitating astrakhan wool in appearance, were offered as trimmed with genuine astrakhan, and that some "coat dresses" composed wholly of cotton trimmed with imitation ermine, of much less value than genuine

ermine fur, were offered for sale as being composed of "wool finished serge" and trimmed with "genuine ermine fur."

These practices, the findings conclude, deceive the purchasing public and are unfair to competitors who truthfully mark their merchandise.

SELLING merchandise with the inducement of prizes determined by lottery or chance is banned by the Commission in an order intended to stop a practice of a Cincinnati candy company that sells its products to wholesalers and retailers throughout Ohio, Indiana, Michigan, Illinois, Iowa, Kansas, Florida, and other states (Docket 1304). Some of the candy is coated with chocolate and has either white centers or pink centers.

The company advertised, the Commission says, that purchasers of the candy with the pink centers would obtain as a prize an additional bar of candy labeled "By Heck Five Cents," and that the purchaser of the last marshmallow drop would receive a baseball and a glove which were shown in a separate compartment of the display box containing the candy.

The candies containing the pink centers could not be distinguished by the customer before buying, the Commission says, a circumstance which, in its opinion, made the determination of the prize-winners a matter of chance or lottery.

This practice, the findings declare, induced the purchase of candy by reason of the chances of prize-winning, and "is therefore prejudicial to respondent's competitors who do not resort to such methods in offering their candy for sale to the public."

AN ORDER of the Commission requiring that a firm of coffee roasters discontinue cooperative means to enforce minimum resale prices on its products was upheld by the United States Court of Appeals for the First Circuit when the firm appealed from the Commission's ruling (Docket 1147). Dealers in the firm's products were required by it to give written assurance that they would not make sales at less than the minimum prices, the Commission found, and its investigation also revealed, it said, that cooperation of the dealers was sought by the firm in detecting prices lower than those established. When a dealer was found to be cutting prices, the Commission said, he was interviewed by one of the firm's salesmen, and if he was not "amenable to reasonable suggestion," but continued to sell below the prices held fair by the firm, he was cut off as a customer.

THREE additional stipulations made public by the Commission involve the use of false and misleading corporate trade name, false and misleading advertising, and fictitious price marks, all having been condemned by the Commission as unfair methods of competition. The proceedings were dismissed after the concerns cited agreed to discontinue the alleged unfair practices "with further understanding that should the unfair methods of competition ever be resumed the stipulation may be used as evidence against the respondent in a proceeding by the Commission."

Commissioners Nugent and Thompson dissented from the orders accepting the stipulations and dismissing the cases on the ground that complaints should be issued against the concerns involved, and the cases tried in order that the public might be informed of the unfair practices used by the concerns, and their law-abiding competitors be benefited by increased trade.

PRACTICES involving the maintenance of fixed resale prices are condemned by the Commission in an order requiring that a New York company dealing in perfumery and toilet articles discontinue "directly or indirectly carrying into effect a system of uniform resale prices in which respondent, its customers and agents undertake to prevent others from obtaining the

For Packaging ~ the Package Engineer

For Patents THE PATENT ATTORNEY

WOULD you attempt, without expert counsel and guidance, to steer a patent application through the complexities and seeming contradictions of patent office practice?

The proper balancing of all the varied and intricate factors entering into the right package design demands a similar breadth of intimate specialized experience.

He Knows Packages



The Bryant Electric Co. of Bridgeport, Connecticut, the world's largest exclusive manufacturers of electric wiring devices, are recent converts to H & D corrugated boxes.

The boxes were adopted after they had proved their worth in experiments conducted with trial packages designed by a Hinde & Dauch Package Engineer.

The result is a cash saving of many thousands of dollars annually in a lower first cost and 40% lighter shipping weight—while big returns are credited to good will in cleaner packages, an almost complete elimination of damage claims and the value of the advertising printed on the box.

Mr. E. G. Thrall, Purchasing Agent, says: "The H & D Package Engineer has given us the most protective fibre box for the least money for our many different products."

SUPERFICIALLY, your shipping package is "just a box." Actually, it is either a sales-maker or a sales-breaker. A money-saver or a source of serious loss.

In which classification it falls depends on a host of contributing factors—upon what your competitors are doing—whether or not you are taking full advantages of shipping privileges—whether it costs you too much in packing labor, space requirements, or damage claims.

Frankly, are you prepared to answer such questions definitely and absolutely? Doesn't it stand to reason that an expert, familiar with the latest packaging developments, may show you improvements you never dreamed of?

A staff of 40 such factory-trained, laboratory-schooled package engineers is maintained by the world's largest producer of corrugated fibre shipping boxes and packing materials. An H & D "P. E." will call at your office and serve you to the best of his seasoned ability at no cost or obligation to you. Fill in the coupon.

The HINDE & DAUCH PAPER Co.
304 WATER STREET SANDUSKY, OHIO

Canadian Address, Toronto:
King Street, Subway and Hanna Avenue

*The World's Largest Producer of
Corrugated Fibre Shipping Boxes
and Packing Materials.*



THE HINDE & DAUCH PAPER COMPANY
304 Water St., Sandusky, Ohio

Please have a Package Engineer call ☐

Send me copy of booklet, "How to Use H & D Free Service." ☐

Name of Company.....

Name of Writer.....

Street Address.....

City..... State.....



CORRUGATED FIBRE SHIPPING BOXES

Consider— Salt Lake City



The Distribution Center of the Trans-Mississippi Market

IF you are looking toward the market west of the Mississippi River consider Salt Lake City as the logical point—because it is the central point—for locating your branch factory or distributing offices. This one fact of central location is alone important enough to be the deciding factor in favor of establishing here. But, in addition, this city offers manufacturing advantages unequalled by any other city in this territory.

The Markets of the West are Served from Salt Lake City

Salt Lake City is centrally located in a new and growing market. It is the center of the West's vast resources. Cheap and ample hydro-electric power is available. It is the converging point of six railroad trunk lines. The American Plan of employment helps labor conditions. Economical and healthful living prevails in this moderate climate, with an average mean temperature over a 50-year period of 51.5°.

Some Industrial FACTS About Salt Lake City and Utah

In 1925, Utah was first in silver production; second in lead; third in copper; sixth in gold—leading all western states in value of mineral production. The world's largest smelting center lies within 50 miles of Salt Lake City. Utah is the steel state of the West and is serving the Pacific Coast with pig-iron made from ores mined in Utah. Coal resources of Utah are sufficient to supply the entire United States at the present rate of consumption for 250 years. Oil has recently been discovered in Utah. Hydro-electric resources are estimated at 1,472,230 horsepower, insuring ample and cheap power to industries. In 1925, Utah led the states in production of alfalfa seed, producing 46% of all that produced by the entire country. In yields per acre, Utah ranked first in sugar beets, alfalfa seed and spring wheat. There are 210 known minerals in unlimited quantities in Utah.

GET A DETAILED SURVEY

We will make a detailed report on the conditions pertaining to any particular business in this territory, possibilities, etc., for any executives addressing a request to the

Department of Industries, N-2,
Chamber of Commerce, Salt Lake City, Utah

company's products at less than the prices designated by it" (Docket 1250).

In accordance with the company's policy of maintaining fixed standard prices at which the products are to be resold, the Commission reports, the company has sought and obtained the cooperation of its retail dealers, and of its officers, agents and employees. Agreements were also obtained from customers to sell at the established prices, and these dealers are asked to report the names of price cutters, the findings say. When the company found that dealers sold its products below the standard prices, it sometimes refused to continue to supply them until it had assurance that the established schedule would be observed.

Enforcement of this resale price policy, the Commission contends, prevents dealers from selling the company's products at prices that they might believe justified by their respective costs of operation, "thereby suppressing competition in the marketing of respondent's products."

IN ORDER to take further evidence, the Commission has reopened a complaint against a motion picture corporation originally charged with having attained its position of dominance by conspiracies and affiliations (Complaint 835). This corporation, the complaint said, owns more than 400 theaters in the United States and Canada and has 140 subsidiary corporations engaged in producing, distributing or exhibiting motion pictures. In 1920 about 6,000 American theaters showed pictures controlled by the corporation and its affiliations, the Commission said, and 67 cents of every dollar for admission to motion picture theaters was paid to theaters showing pictures of the concerns cited.

Adherence to the corporation's policy of affiliating with producers, distributors and exhibitors, the Commission contended, kept pictures of independent producers from being shown in many theaters, and that continuation of this policy would eliminate independent producers because of inability to obtain theaters for exhibition of their pictures.

DISMISSALS included complaints against a tire manufacturer of Chicopee Falls, Massachusetts, a concern at Williamsport, Pennsylvania, which makes a solution for batteries, a wholesale grocers' association of Council Bluffs, Iowa, a furniture dealer of New York City, and a sugar company located in Denver, Colorado.

Lessening competition in the sale of tires, mechanical goods and sundries through acquisition of 51 per cent of the stock of a competitor was charged against the tire manufacturer (Docket 1248). Commissioner Nugent dissented from the dismissal.

Misleading representation in the marketing of battery solution was alleged against the Williamsport concern (Docket 1253). Dismissal was ordered because the concern has been adjudged bankrupt.

Methods of competition in obstructing and preventing a manufacturer from successfully marketing its soap and soap products were questioned in the complaint against the wholesale grocers' association (Docket 991).

Commissioner Nugent dissented from the dismissal.

Lack of jurisdiction in the absence of a showing of interstate commerce caused dismissal of the charges of false and misleading advertising made against the furniture dealer (Docket 1194).

Two complaints against the sugar corporation, and other sugar companies also cited, charged violation of the Clayton Act through the alleged ineligibility of some of the directors (Dockets 1180 and 1182). These complaints were dismissed because a majority of the Commission found no interstate commerce, and no prospect of it among the companies named, and therefore believed that prosecution would be futile and of no public benefit. Commissioner Nugent dissented from both dismissals.

Workmen, a Wren and the Flag

By AGNES C. LAUT

Author of "Lords of the North," "Freebooters of the Wilderness," "Vikings of the Pacific," etc.

I WENT out to St. Paul during the stress of the war. Most people remember the unkempt condition which many shops and round houses presented at that time. If there were not scraps of waste steel—rails, bolts, spikes, nuts—discards of lunch pails, bits of smashed cars and engines, the shops were at best in this period dingy buildings with smudged windows centered in cinder and ash yards.

The first thing that struck me was that the entire yard was a blaze of the most beautiful tulips I have ever seen—you couldn't mistake their pedigree—the deep blood reds, the rose pinks, the golds—had the sheen and depth of silk velvet. What I said to myself was—"Imported—like the foreign chaps inside there." I thought the foreigner had brought his foreign plants with him. The next thing I noticed was a little greenhouse to the left. This was putting frills on "uplift" with a vengeance. If it cost money to the shareholders, people might say it was out of balance economically. The next thing was a lofty flagpole made of iron drain pipes with an American flag whipping to the breeze.

"Americanization," I thought.

"Company do all this?" I asked pointing to the neat paths bordered with white-washed tiles.

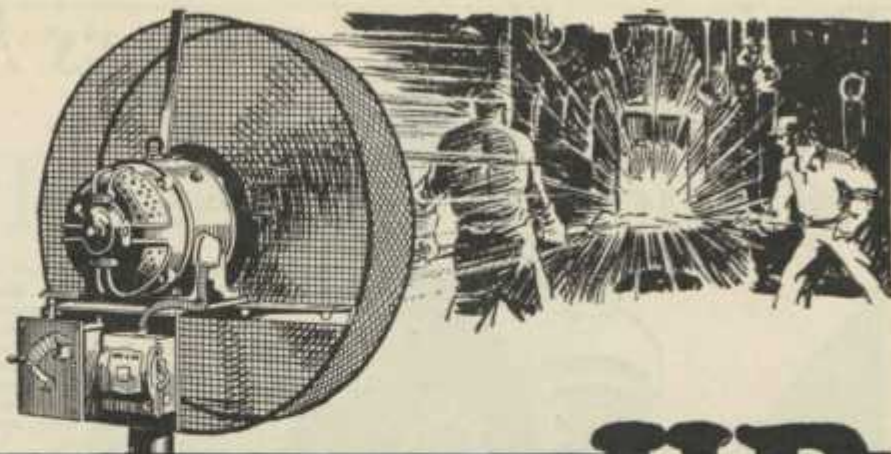
"No—men did it and did it in their spare time, too"—(please note that word "spare," how "spare time" was used)—"lunch hour or after short day, or on Saturday afternoons." (Again please note how leisure was used.)

"There's a funny story about that flagpole, too! The men had put a wren's house on the tip of that flagpole! I don't know whether the wrens couldn't agree with the eagle or what; but the flag wouldn't work when the wren's box was there; so soon as the babies were hatched, what to do with the wren's box? The men raffled it one day at noon and cleared over \$127; and that's how they got those fine imported tulips and the greenhouse and the rest—"

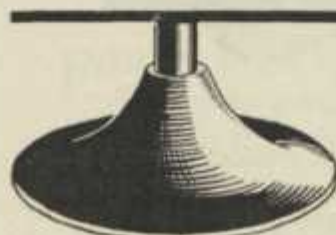
We entered the repair hospital, where the big engines came sailing proudly in. The men were nearly all young, high-pay, short-hour men—running in wages from \$6 and \$8 to \$10; and we were presently discussing with one an experiment they had been trying, "to slip" begonia plants by letting the leaves take root in warm, moist sand and getting four rootlets from one leaf.

I came out. It was near closing time. Instead of shanties with rags and paper in broken window panes and unclean little urchins hanging round sagging picket fences such as used to surround the work centers of foreigners, I counted motors parked for a mile—motors to convey their owners inside out to their wholesome homes in the suburbs.

I don't believe this example needs a comment, let alone a moral, tacked on to its tail. It's the sort of thing like a poem or music that transcends moralizing. There it is—realize it. It is a symbol significant as the difference between the rag that is a flag of squalor and the flower that is a flag of gladness.



Keep production **UP** with man cooling fans



7 reasons why

You Should Install Man Cooling Fans

- 1 Man Cooling Fans will cool the "hot spots" in your plant
- 2 —will keep men "on the job" regardless of summer heat
- 3 —will cut your labor turnover on jobs requiring high temperature treatment
- 4 —will cast a cool, refreshing breeze in any desired direction at any time
- 5 —will enable men to work on hot products with less delay
- 6 —will enable men to work longer shifts
- 7 —will speed up production and increase your profits

Every time you turn on the desk fan that makes your office a comfortable place in which to work, stop and think!

What are the men doing who are sweltering away on the hot jobs in your plant? What relief have they from stifling heat? Is the heat going to interfere with your production schedules? Will you have to hire more men to meet your shipping dates? Is your labor "turnover season" opening up? How much more efficient and contented would the men in your shop be with relief from the intense heat.

American Blower Man Cooling Fans are like giant desk fans. They provide cool, refreshing breeze on the "hot spots" in your plant. They will make your men contented, enable them to work longer shifts during terrific heat and make it possible for you to meet production schedules that would otherwise be out of the question.

Fortify your shop NOW against delays and losses caused by excessive heat by installing American Blower Man Cooling Fans.

AMERICAN BLOWER COMPANY, DETROIT, MICH.
BRANCH OFFICES IN ALL PRINCIPAL CITIES
CANADIAN SIROCCO COMPANY, LIMITED, WINDSOR, ONTARIO

American Blower
"Sirocco" VENTILATING, HEATING, AIR CONDITIONING, DRYING, MECHANICAL DRAFT
MANUFACTURERS OF ALL TYPES OF AIR HANDLING EQUIPMENT SINCE 1881

Paint that wears!



THE Dutch Boy trademark is on every keg of Dutch Boy white-lead. It guarantees your getting lead paint of the highest quality. Besides white-lead there are made under this trademark: flaking oil for use with white-lead in decorating interiors; also red-lead, solder, and babbitt metals.

PAIN'T has a hard life. Storms rage against it. The sun beats down mercilessly on it. The important question is, "What paint can I use which best resists the attacks of the weather?"

To many house-owners the outstanding fact about Dutch Boy white-lead paint is its ability to stand up against the weather. This paint made of Dutch Boy white-lead and pure linseed oil wears—and wears—and wears. Property-owners use it, not only because it protects their property against decay, but because its protection lasts for a longer time.

You have a right to expect unusual durability from Dutch Boy white-lead paint. Its tough, moisture-proof, elastic film is long-term insurance against decay. It protects property and keeps it protected. It is an all-lead paint, and it is the lead which gives paint its weather-resisting qualities.

Invest in Dutch Boy white-lead paint the next time you paint. You can get at a remarkably reasonable cost the complete protection this paint gives. One hundred pounds of Dutch Boy white-lead makes seven gallons of pure lead paint.

The great economy of this paint becomes more evident each succeeding year, as you save the cost of frequent repaintings and avoid the expense of repairs which are sure to come if a house is not kept painted. Remember, too, that an improperly painted house always deteriorates both in appearance and value.

Write for new paint booklet

"Decorating the Home" is a new free booklet, illustrated in color, which suggests decorative treatments for exteriors and interiors. A copy will be sent you if you write our nearest branch. If you are planning to decorate your home, write our Department of Decoration in care of our nearest branch. Specialists in color will help you, without charge, to plan distinctive color treatments.



NATIONAL LEAD COMPANY

New York, 111 Broadway; Boston, 131 State Street; Buffalo, 116 Oak Street; Chicago, 900 West 18th Street; Cincinnati, 659 Freeman Avenue; Cleveland, 820 West Superior Avenue; St. Louis, 722 Chestnut Street; San Francisco, 485 California Street; Pittsburgh, National Lead & Oil Co. of Pa., 316 Fourth Avenue; Philadelphia, John T. Lewis & Bros. Co., 417 Chestnut Street.

Dutch Boy White-Lead

Makes an all-lead paint

When writing to NATIONAL LEAD COMPANY please mention Nation's Business

Fire Waste Contest Winners Named

ALBANY, GA., Battle Creek, Mich., Long Beach, Calif., and Portland, Oreg., were declared the winning cities for the year 1925 in the National Fire Waste Contest conducted jointly by the National Fire Waste Council and the Chamber of Commerce of the United States.

The grand prize was accorded to Albany by the board of awards, for having shown the greatest progress during the year in the prevention of fire and reduction of fire losses. It is the first time that this recognition has been won by a city of less than 20,000 population.

Reports were received from 221 competing cities with a total population of 20,346,047. Taken as a whole, these 221 cities show a slight reduction in per capita property loss for 1925 compared with the average for the preceding five years. Of the 221 cities, 183 show a reduction of 7 per cent in loss of life due to fire.

Statistics of fire losses for the entire country for 1925 are not yet available, but conditions in competing cities in this respect are more favorable than they are for the country at large.

List of Winning Cities

THE rank of the winning and honor cities of the four classes in the 1925 contest as fixed by the board of awards follows:

Cities of more than 100,000 population: 1. Portland, Oreg., winner; 2. Philadelphia, Pa.; 3. Wilmington, Del.; 4. Reading, Pa.; 5. Rochester, N. Y.; 6. El Paso, Texas; 7. Indianapolis, Ind.; 8. Milwaukee, Wis.; 9. Grand Rapids, Mich.; 10. Sacramento, Calif.; 11. Kansas City, Kan.

Cities of 50,000 to 100,000: 1. Long Beach, Calif., winner; 2. Fresno, Calif.; 3. New Britain, Conn.; 4. Charleston, W. Va.; 5. Passaic, N. J.; 6. Terre Haute, Ind.; 7. Hoboken, N. J.; 8. Racine, Wis.; 9. Pasadena, Calif.; 10. Pontiac, Mich.; 11. Augusta, Ga.

Cities of 20,000 to 50,000: 1. Battle Creek, Mich., winner; 2. Petersburg, W. Va.; 3. Hagerstown, Md.; 4. Findlay, O.; 5. Mansfield, O.; 6. Burlington, Vt.; 7. Owensboro, Ky.; 8. Butler, Pa.; 9. Massillon, O.; 10. Fargo, N. D.; 11. Fitchburg, Mass.

Cities of less than 20,000: 1. Albany, Ga., grand winner; 2. Laconia, N. H.; 3. San Fernando, Calif.; 4. Billings, Mont.; 5. Carthage, N. Y.; 6. Ashland, Oreg.; 7. Weston, W. Va.; 8. Oceanside, Calif.; 9. Lewiston, Mont.; 10. Marlow, Okla.; 11. Sebewaing, Mich.

Steps to check the ravage of fire on farms and to obtain more adequate statistics on the loss of life due to fire were considered at a meeting of the National Fire Waste Council. C. L. Christie, of Purdue University, placed the annual loss from fires on farms at \$150,000,000 annually. He said:

While the total per capita fire loss in the United States is being reduced, the decrease is coming largely in the cities. Figures from the Farm Insurance Association for twelve of the middle western states show an increase of 29 per cent in losses for the five-year period ending December 31, 1924.

Too few farmers recognize the adequacy of protection from lightning rods properly installed or the danger from rods improperly installed. The prejudice of farmers against lightning rods needs to be overcome.

Business Courses at Stanford U.

"THE GREAT future need of the United States is for men qualified to lead in matters of economic statesmanship. Our universities can do much to satisfy this need by giving dignity and deserved honor to men who devote themselves to careers in business. . . . Business then becomes less a matter of black ink on the balance sheet and more a question of progress along the lines by which we measure national achievements."

In that telegram Secretary Hoover set forth the reason for the spreading movement to link higher education and business.

The occasion of the telegram was a conference at Stanford University to inaugurate its Graduate School of Business. The conference was a striking one in its membership. Business men came all the way from Massachusetts and New York, as well as from nearby places. Harvard, the University of Pennsylvania and the University of Chicago sent deans and professors to give of the experience gained in those institutions.

What the Report Shows

OUT OF the conference came, as comes out of most conferences, a committee, and from that committee a report. The committee is interesting since it shows how widespread geographically was the interest in this conference. Its chairman, Henry M. Robinson, is president of the First National Bank of Los Angeles and was General Dawes' associate in working out the German reparation plan; David F. Houston is an ex-Secretary of the Treasury and is president of the Bell Telephone Securities Company; Henry S. Dennison is a manufacturer of paper products in Massachusetts; Ralph P. Merritt is managing director of the Sun-Maid Raisin Growers' Association; George E. Farrand is general counsel for a leading California cooperative marketing association; Milton Esberg is vice-president of the General Cigar Company; Joseph H. Willits is a professor in the Wharton School at the University of Pennsylvania.

Here are some extracts from this document:

A going business, in order to be well managed, must operate as a unit.

Emphasis must always be placed on the unity of the management process and on the necessity of handling all the affairs of a business, departmental as well as general, with a view to the needs of the business as a unified enterprise.

Means must be found of giving students "clinical experience"—a functioning contact with actual business. Some of the means of doing this from which choice can be made are: (1) holding an acceptable job for a specified period before admission; (2) vacation jobs during the course; (3) experiments with undertakings that require joint work, planning and foremanship; (4) presentation of actual problems by business men who have or have had them to solve; (5) participation in the analysis and solution of problems presented by members of the faculty out of their own responsible contacts with going business concerns.

One sentence in particular stands out: "The necessity for moral responsibility in business should permeate all the teaching and the contacts of students throughout the course."

Do you file your letters on a spindle?



FORTY years ago spindle filing was good enough. Would you do it today?

Forty years ago stamps were bought in sheets and affixed by hand. Is it still done that way in your office?



The New Superior Stamp Affixer and Recorder MULTIPOST

has replaced old-fashioned methods of handling stamps in thousands of offices.

The Multipost saves four-fifths of the time spent in affixing stamps, and makes a clean job of it. It protects stamps against loss, spoilage and misuse. It makes accounting for them practicable. It brings control over your stamp account—eliminates the scattering of loose stamps (cash) in drawers, trays, etc.—fixes responsibility—and discourages lax habits concerning the use of stamps (money).

Every year sees new thousands of Multipost-equipped offices applying modern economy, efficiency, and cleanliness in the handling of stamps. How long will you wait before having those advantages?

Get a new Superior Multipost on trial. Prove its advantages. Fill out and mail the coupon.

THE MULTIPOST CO.
ROCHESTER, NEW YORK

THE MULTIPOST CO., Dept. B-6, Rochester, N. Y.

I have checked below what I would like to have you do for me.

☐ Send New Superior Multipost on free trial.

☐ Send Catalog

Individual

(Kindly give name to insure correspondence reaching right party)

Firm Name

Street

City

State

Faced With

TERRA COTTA

From Sidewalk to Roof



Pacific Telephone and Telegraph Company Building, San Francisco, Cal., Miller, Pfueger & Cantin, Associated Architects.

DOMINATING the skyline of San Francisco the magnificent new building of the Pacific Telephone and Telegraph Company is faced with Terra Cotta from sidewalk to roof. Let us send you our booklet illustrating this and other fine buildings faced with Terra Cotta.

NATIONAL TERRA COTTA SOCIETY
19 West 44th Street New York, N. Y.

Swindle Schemes Fleece Widows

By WINSLOW RUSSELL

Vice-President, Phoenix Mutual Life Insurance Company

"DID YOU ever read a widow's morning mail?"

The question was put to me recently by a business man who does not ask idle questions.

I had never read a widow's morning mail.

But I did not have to ask the reason for his question. We had been discussing the lump sum payment of nearly \$400,000,000 to life insurance beneficiaries annually, most of it to people with little or no previous experience in the handling of money for investment.

I knew that he was visualizing the obituary columns of all the newspapers in the land as the financial crook's finest "sucker list." I knew that he was picturing the flood of "business opportunities" that the mails bring to the life-insurance beneficiary, beginning almost upon the heels of the funeral cortege. It has been said, whether true or not, that 90 per cent of all estates of \$5,000 and over are dissipated in seven years.

This is no new condition. I only wish that it was. Anything so staggering in proportions, occurring within a single year, or two years, or five, would set America on its individual and collective ears. But it has been cumulative. The totals have piled up, up, up, from year to year, by such gradual stages that the dissipation of estates has become something of a national institution.

Conservation of Estates

PREVENTION of this loss is not a matter of locking up all the crooks in all the land. There is a much simpler way—a way that cuts off the crook's source of revenue.

Conservation of estates!

There ought to be some other word that would tell the story. Conservation has been bandied about, played with, so much that it has lost much of its significance, even though its definition has not changed.

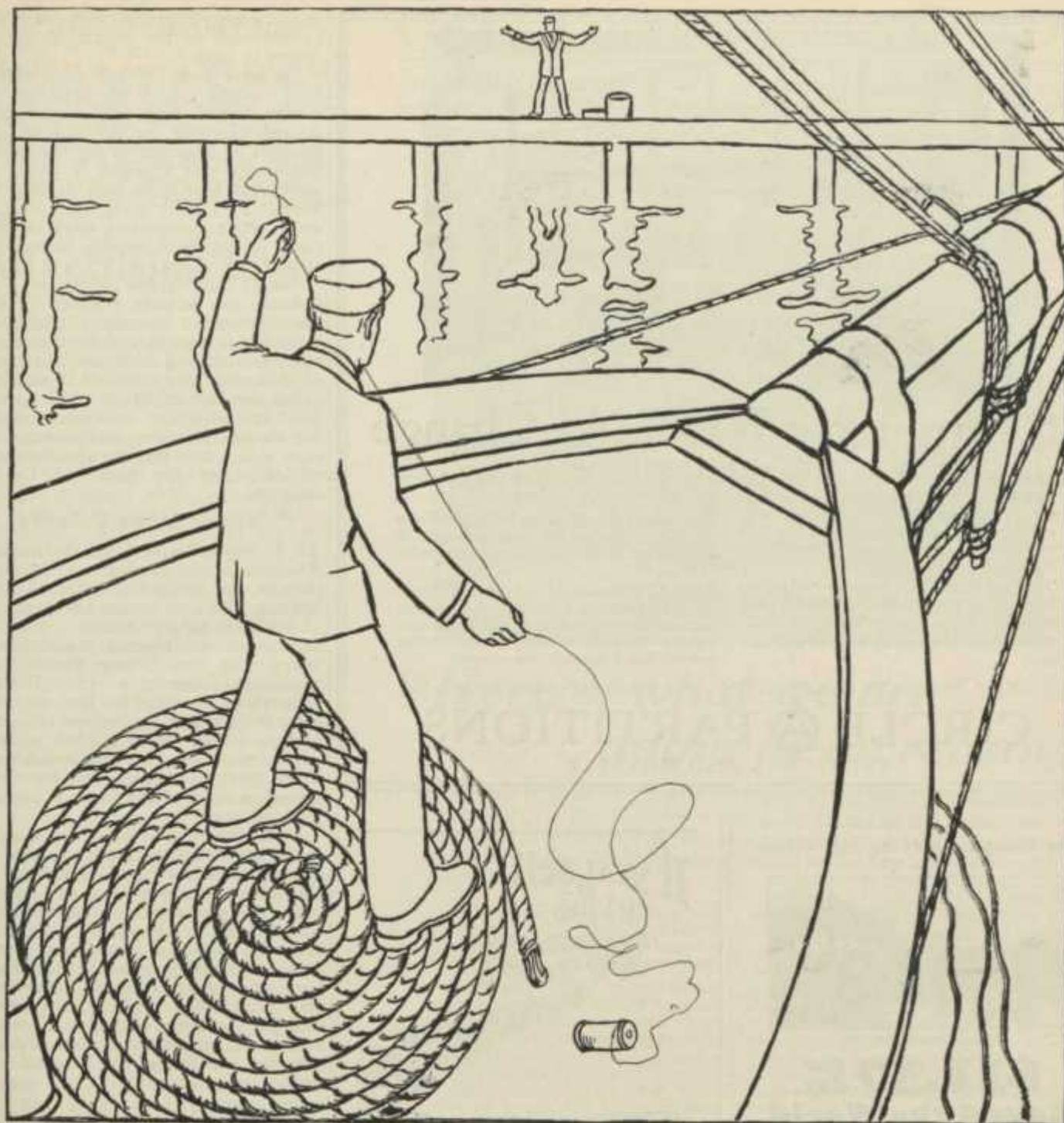
But conservation is the only effective way to curtail the dissipation of estates.

Mr. American Business Man accepts, without question, the obligation to accumulate an estate—a surplus, as large as he can comfortably make it, to be dispensed to his heirs at his death. In most cases, he just as calmly waves aside any suggestion that his obligation may extend beyond the incident of death which transfers his surplus to other hands.

Life insurance companies came into being as a means of creating estates. Trust companies were developed to administer them. Could there be a stronger alliance against the financial crook, that assiduous reader of the obituary column?

Even though they wanted it, insurance companies are vested with no discretionary power in the distribution of the proceeds of life insurance. They can pay specified amounts to specified beneficiaries at specified times—and nothing more.

On the other hand, trust companies are vested with discretionary powers. They are flexible. They can carry out the real intent of the creator of an estate. They can meet unforeseen contingencies. They can make investments, sell property, erect buildings. In fact, within certain legal limitations, the



Why use a string when you have a rope?



You pay nothing for that added feeling of security which a policy in the Hartford gives you.

HARTFORD FIRE INSURANCE CO.
HARTFORD, CONN.

The Hartford Fire Insurance Company and the Hartford Accident and Indemnity Company write practically every form of insurance except life.

When writing to HARTFORD FIRE INSURANCE CO., please mention Nation's Business



If Tomorrow It Should Change

If tomorrow it should be desired to make one room where two are today, or more important still, two rooms where one is today, the change could be accomplished quietly, efficiently, quickly with a minimum interruption to office work.

That is, if Circle A Partitions are used in your layout, as they are used in the office shown above.

For Circle A Partitions are sectional and movable.

Their design is so simplified that their erection is a matter of a few hours.

The business office plan must be flexible. Every organization changes. The natural expansion of business constantly calls for new arrangements of space.

Circle A Partitions are able to grow and change with your business. For details of their uses, construction and advantages send for our new Catalog—Circle A Partitions. We believe that you will find it thorough and valuable.

CIRCLE A PRODUCTS CORPORATION • 658 South 25th St., Newcastle, Ind.

CIRCLE A PARTITIONS

SECTIONAL AND MOVABLE

"The Sunshine Belt to the Orient"



Chimie Garden, Hangzhou

\$11.37 per day
Round the World
In luxurious, first cabin accommodations

PALATIAL President Liners, sailing every Saturday from San Francisco (every fortnight from Boston and New York). Commodious, outside rooms. A world-famous cuisine. A service praised by the most experienced travelers.

Round the World at a fare that is about what you spend at home. Includes meals, accommodations and travel. 110 glorious days. 22 ports in 14 countries. Optional stopovers. Get complete details today.

Dollar Steamship Line

604 Fifth Avenue
New York

Robert Dollar Bldg.
San Francisco

If you sell in the West

PEOPLE—millions of them—with ample money to spend—await your products in the West.

Western selling and manufacturing is most profitable when centered in Oakland. This thriving city offers every advantage to Eastern manufacturers. Open your branch factory or sales office here. This bank can supply accurate, confidential information.

The Oakland Bank
12th and Broadway • Oakland, California

OAKLAND

is the place to start

trust company's service can be as broad or as restricted as the creator of an estate desires to make it.

For some years, insurance companies have been working toward life insurance estate conservation through agreements with the insured, providing for the payment of the proceeds of insurance to the beneficiary in instalments over a period of years. Such agreements have more than justified themselves. In a great many cases they meet every estate conservation need of the insured. A stipulated monthly income can be assured the widow.

When a child reaches college age, a specified sum can be made available for educational purposes. Provision can be made to retire a mortgage at a definite date. Any number of definite needs can be taken care of, if those definite needs can be anticipated.

But there are conditions which no human mind can anticipate—emergencies demanding changes in plans, readjustments, decisions. It is here that the administration of estates enters the realm of the trust company.

Annual Losses Unknown

IT IS impossible to figure the number of millions of dollars that are lost annually through unnecessary duplication of effort in business. I do not consider it an admission of weakness to say, without equivocation, that insurance companies should never be vested with discretionary powers in administering insurance estates. When the conservation of estates has been extended to every policyholder, the business of insurance companies will have reached a greater volume than we can now even dream of. That happy condition can be attained through a union of the forces of life insurance and trusts.

At the beginning of this article, I referred to the financial crook's prize "sucker list." I know of no more striking illustration of the pitfalls of the beneficiary of a lump sum policy than that used in a recent address by Leslie G. McDowall, of the committee on insurance trusts, of the Trust Company Division of the American Bankers Association. In answer to a widow's advertisement, announcing that she had \$10,000 to invest in securities or some enterprise of merit, a number of extraordinary propositions were submitted. A few of the "unusual opportunities" offered were:

Proposition	Rate of Return
1. Newspaper Agency	\$500 per month.
2. Interest in Commercial Hotel	40 per cent.
3. Stock (Promotion)	\$10,000 and principal in six months.
4. 5 Patented Articles	Vice-President of Co.
5. Chemical Co. (Stock)	2 per cent per month guaranteed.
6. Stock (Chain Stores)	18 per cent, guaranteed.
7. Florida Orange Groves	8 to 30 per cent.
8. "Interview" on "Proposition"	100 to 300 per cent.
9. Banking Business	32 per cent.
10. Interest in Coal & Ice Co.	25 per cent, guaranteed.

Do these "propositions" get "results" for the proposers?

Here's the answer:

Thirty-two per cent of all widows in this country are compelled to earn their own living.

Out of more than three million widows in the United States today, one-third of them are over sixty-five years of age. Ninety per

cent of the latter class are either wholly or partially dependent upon the charity or generosity of others.

Creation of an estate is only half of the obligation of the person who has dependents. Protection of that estate against schemes of financial parasites is the other half.

Adequate life insurance, an adequate will, the services of a responsible trust company—a combination of safeguards that will remove the name of any beneficiary from the "sucker list!"

Advertising Ideas

ADVERTISING agencies are constantly looking for ideas to break down "sales resistance," miraculously to interrupt the thoughtless reader as he leafs through a newspaper or magazine and make him stop and read with care, and to create a demand where none existed.

Young men who go to work for such organizations are told that they must "have ideas." The young men sometimes feel that that is asking a lot, but sometimes they really do have ideas that bring dollars to the firm, and to the client the firm "counsels" in its merchandising.

There is a story going about concerning one of the older members of such an advertising firm who had an idea that proved a good one. It made what began as a haphazard sort of specialty product the manufacturer's "lead item."

Food products were this manufacturer's line. He had decided to include olives along with his other offerings, all of which had been tried and were selling on their merits and proved worth. He put it up to the advertising counsellor that he needed something in the way of a new idea to start the olive line on its way to chase the dollar sign farther to the left.

The president himself had a conference with the manufacturer, and then called in his staff of artists, copy men and office boys. He hammered home to them the chance that lay before them, to put the olive in every mouth. Exhausted at the end of two hours, he sent them out, each with the golden opportunity before him to pick the winning idea out of the air.

He sank back in his chair, having done his duty. A catalog on his desk caught his eye, and he picked it up and began to turn its pages, musing. It was a seed catalog, one of those colorful bits of printing, where the biggest vegetables grow—the tinted and toned Eden where there are no culls and every melon pictured would feed a family.

The president mused because it took him back to the time when he lived on a farm. Like a flash the Big Idea came to him, and he knew that it was good.

His analytical mind was accustomed to asking why things were so. He had the secret for creating a desire to sink the incisors into an inviting olive. The cool green color was the necessary factor. An olive in black ink only half suggested an olive. It reminded, maybe, but it did not start a mental or gastric pulling force which led to the corner grocery. Just as the seed catalog had made him wish for bygone farm products because of the greenness of its watermelons, the golden tints of its pumpkins, or the crimson of its tomatoes, he reasoned that olives should always be advertised with illustrations in color.

As a matter of fact, he was successful in his olive campaign. Such are the awesome and wonderful mental processes which some of our best advertising men go through.

OAKLAND AND ALAMEDA COUNTY CALIFORNIA

Advantages of the West's Fastest-growing Industrial District—No. 8



"Here is what we are doing in increasing

our harbor facilities for the growing industrial and distributing activities of this district, Jim. Shipping is constantly increasing and during rush periods we have had ships tied up two abreast, loading and unloading in the Inner Harbor, so rapid has been the growth of the business handled through the Port of Oakland.

"This condition will be eliminated with the completion of the present harbor development program, for which the people of Oakland voted \$9,060,000 in harbor bonds.

"In the Brooklyn basin in the Inner Harbor, a pier with 3800 feet of berth space and nearly fourteen acres of transit shed is being erected. Further down the Inner Harbor, at the foot of Clay Street, two new piers each 500 feet long, are being added. On the Outer Harbor, a 1700-foot quay wall, with a 1500-foot transit shed and refrigerating plant, is going in to care for deep-water vessels. This quay wall will accommodate three of the largest vessels afloat at the same time.

"Here are the track layouts for movement of cargo to and from the transit sheds, or directly between freight car and ship. With up-to-the-minute, cargo-handling equip-

ment, freight will be moved in rapid-fire order.

"Alameda has a big terminal, which is constantly becoming a greater factor in the movement of water-borne freight. As you already know, Oakland has done quite a lot of harbor development work, both the municipality and private interests being responsible, previous to the development program I just outlined. Work on increasing Berkeley's waterfront facilities is under way.

"Alameda County, with its location on the eastern shore of the great harbor of San Francisco Bay, has everything to offer those interested in shipping to the ports of the world.

"I want to tell you something of the future of the steel industry here."

(To be continued in the July issue.)



A technical, industrial report will be prepared for any industry, interested in a Pacific Coast location.

Write Industrial Department, Chamber of Commerce

OAKLAND, CALIFORNIA

"INDUSTRIAL CAPITAL OF THE WEST"

*This district includes the principal cities of Alameda County—Oakland, Berkeley, Alameda, Emeryville, San Leandro, Hayward, Newark, Niles, Irvington—and is being advertised co-operatively by the Oakland Chamber of Commerce and the Alameda County Board of Supervisors.

When writing to OAKLAND CHAMBER OF COMMERCE please mention Nation's Business



Need more floor space? Fence your grounds— use them for storage

ANCHOR-protected yard storage—a sure, speedy and economical solution of the "more floor space needed" problem!

Puts idle outside space to work—releases costly inside space for production.

Stored on Anchor-fenced grounds, materials are guarded night and day—are safe from theft. A high, unclimbable, impregnable barrier of steel, an Anchor Fence is unfailing in the protection it affords.

If you need more floor space—look into this proven, money-saving way of getting it. The nearest Anchor office or sales agent is at your service.

ANCHOR POST IRON WORKS
9 East 38th St., New York, N. Y.

Albany	Detroit	Mineola, L. I.
Boston	Harrisburg	Philadelphia
Chicago	Hartford	Pittsburgh
Cincinnati	Los Angeles	St. Louis
Cleveland		San Francisco

Sales Agents in Other Cities



Anchor Fences

of COPPER-BEARING STEEL WIRE
GALVANIZED AFTER WEAVING

Good Will and the Press

By JOHN H. FAHEY

THE GREATEST single influence in International relations today is that of the press. It is greater now than it ever has been and it will be greater in the future than in the past.

The war demonstrated the tremendous power of the press as never before in history. It revealed great undeveloped reservoirs of power which even those most familiar with the mysteries of its influence did not understand. It represents now the greatest single institution in existence, having opportunity to influence the peoples of the world for right or wrong. The daily newspaper is the popular university for millions of people.

Aids to Understanding

WE ALL recognize increasing commercial intercourse as one of the most important elements in the maintenance of peace. When people exchange freely the results of their efforts to their mutual satisfaction, respect and understanding are developed, which it is very difficult to disturb.

On the other hand, it is quite true that trade conducted by inexperienced or unscrupulous merchants is one of the most serious causes of international friction. Fortunately, those responsible for unfair and dishonest bargaining represent but a very small minority, and they do not long survive.

Of all the factors which make for better understandings or for misunderstandings between the people of different nations, the character of the news exchanged and of editorial comment, undoubtedly, has the most important influence. It is the duty of those of us who participate in this conference to constantly exert our efforts to consolidate the victories of peace we have already won. There is no public service we can render of such importance.

It is essential that the people of the Western Hemisphere shall understand the rest of the world and that the world shall understand us. It is particularly important that Europe shall understand us and that we shall fully appreciate the importance and significance of European conditions.

I emphasize Europe because we have learned out of the bitterness of the war that the nations of the world are now so interdependent that there cannot be a war of any considerable size without involving every nation directly or indirectly. We, therefore, have—all of us—a very vital interest in what goes on in Europe and its reaction on world peace and our prosperity and stability. While it is true that Europe has made great progress toward peace during the last two years and there has been a steady improvement in economic conditions, the European continent is still the most important area of possible grave disturbance.

For these reasons it seems to me that the question of adherence to the highest ethical standards of journalism in correspondence concerning European conditions and the relations of the Western Hemisphere and Europe is worthy of special consideration.

I do not wish to be unduly critical, but, nevertheless, it is my firm conviction as a newspaper man that the general character of the correspondence which has come to this country from Europe since the war, and especially during the last six years, as well

as that which has gone to Europe from the United States, is far from creditable to our profession and is susceptible of great improvement.

I am well aware that the service rendered to North American newspapers from Europe by some of the responsible press associations has been excellent. Indeed, I think they offer very little room for criticism. I have a profound respect, too, for the careful work of a limited number of experienced special correspondents. Nevertheless, it is my opinion that the writings of an undue proportion of correspondents serving the North American papers from Europe has been irresponsible, sensational, and superficial in extreme.

Our public is victimized by the constant use of words and phrases employed by our correspondents without due consideration. All too frequently, when an important international conference is in progress, the representative of one nation who quietly sits down with another in an attempt to get his point of view is pictured as engaged in "intrigue" or "secret diplomacy."

The necessary discussion in committee sessions of different points of view is constantly described as "bickering." The unwillingness of statesmen charged with grave responsibilities to sit in open convention in the presence of three or four hundred newspaper men when attempting to negotiate understandings is alleged to represent concealment of important facts from the public.

Responsibility for international prejudices and misunderstandings does not, of course, rest entirely with the faking correspondent, culpable as he is. The sensational politician, sometimes self-seeking and sometimes merely ill-informed, is one of the chief factors. He can almost always be stampeded by a clever reporter into a hasty and unwarranted statement about the methods and motives of political leaders of another nation.

We are all equally familiar with the trick of quoting the sensational editorial utterances of an unimportant newspaper and making it appear as a serious expression of national sentiment.

A Twilight Zone in News

I AM well aware that there is often a twilight zone between the fields of legitimate and illegitimate news. There are times when some of the things to which I have referred represent news factors of unquestioned legitimacy to some degree, but I maintain that there are today too many correspondents who overstep the lines of legitimacy with reckless disregard of the ethics of this profession. I believe that many practices still prevalent in international correspondence are unjustifiable and should be discouraged if the newspapers of the world intend to serve the pressing needs of humanity and to aid in constructive, useful upbuilding of tolerance and good will.

The world needs and craves friendship, confidence and prosperity. There is no force on earth which can do more to make them possible than the press. In this new day now dawning, therefore, let us resolve to recognize and remedy our own shortcomings; let us lead the way toward better understandings between all peoples and insist that no profession shall maintain higher principles of ethics and morality.



Food for Thought for Food Advertisers

WHERE did that antiquated tradition that women prefer the evening newspaper ever gain credence? It belongs to days gone by. The times have changed. There has been a marked swing toward morning newspapers.

The radio, the movie, the automobile, and dining out are absorbing the woman's interest in the evening. On the other hand, the kitchen cabinet, the washing machine, the vacuum cleaner and a score of other labor saving devices are freeing her mornings for reading.

On The Tribune staff, thirty women edit and write for the women, the food buyers.

Of 642,529 replies received last year to thirty features, 270,453 were to seven features addressed primarily to women.

A manufacturer selling house to house wanted to get the facts. His salesman asked 4,000 housewives what Chicago newspaper they preferred. 1640 or 41% said The Tribune. 1096 mentioned the next newspaper and 692 the third.

An electrical appliance manufacturer wanted to know what newspaper Chicago women preferred. Calls were divided equally among all telephone exchanges. Of the 2522 women reached, 76% or 1956 preferred The Tribune, 18% more than the next highest newspaper, 46% more than the third.

A large food manufacturer placed the identical page advertisement, carrying a coupon, in four Chicago newspapers. 3967 coupons were returned from The Tribune, almost twice as many as from the second newspaper, nearly three times more than from the third, and six times the fourth.

Ring door bells, telephone, or check coupons, the answer is the same—Chicago women prefer The Tribune.

That this is fact and not theory is being proved again and again by advertisers who spend their money to reach Chicago women.

Charles A. Stevens, the world's largest store catering exclusively to women, used, in 1925, more lines of advertising in the daily issues of The Tribune than in all other Chicago newspapers combined; and in the daily and Sunday Tribune two and one-half times as many lines as in all the rest.

Here is the way advertisers of toilet preparations invested their money last year:

Toilet Preparations, 1925



Publishers of magazines appealing exclusively to women confirm this choice with their advertising dollars.

Women's Publications, 1925



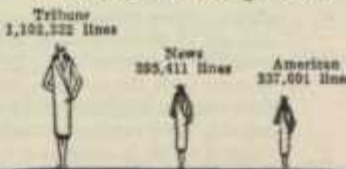
Household utilities manufacturers pile up the evidence.

Household Utilities, 1925



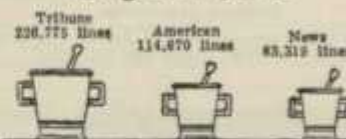
And again from advertisers of women's apparel.

Women's Clothing, 1925



Chicago drug stores reach Chicago women this way:

Drug Stores, 1925



Food advertisers cannot disregard facts of such wealth and weight. They are following the women. They are choosing The Tribune. Only the high spots of the complete story have been touched in this advertisement. Certainly, Mr. Food Advertiser, you will want to hear it all—a Chicago Tribune man will gladly answer your request and give it to you.

Chicago Tribune

THE WORLD'S GREATEST NEWSPAPER

Travel Wherever You Will,
Buy Whatever You Want—

with

A·B·A American **Cheques**
BANKERS Association
"TRAVEL MONEY"



Like the Magic Carpet, A·B·A Travelers' Cheques will take you wherever you want to go.

They're "good for money wherever money means anything"—day or night, business day or holiday, the world over.

11 Other Reasons Why You Should Carry A·B·A Travelers' Cheques

- safer than currency to carry on the person while traveling.
- convenient because not dependent for cashing upon banks or banking hours.
- self-identifying through your signature.
- accepted by hotels, garages, ticket offices, shops and banks the world over.
- do away with the necessity for changing currencies when crossing international frontiers.
- cashed in foreign countries at current rates of exchange.
- accepted for U. S. customs duties.
- crisp, clean and handsome as new bank notes,—features which appeal especially to women travelers.
- light to carry and easy to use; issued in compact bill folds in denominations of \$10, \$20, \$50 and \$100.
- the official travelers' cheques of the American Bankers Association.
- sold by 11,000 banks and trust companies in the United States and Canada.

Buy your A·B·A Travelers' Cheques
at your local bank.

The Agent for the Member Banks for the payment of all American BANKERS Association Travelers' Cheques is

BANKERS TRUST COMPANY

NEW YORK PARIS LONDON

Government Aids to Business

Reports of government tests, investigations and researches included in this department are available (for purchase or free distribution) only when a definite statement to that effect is made. When publications are obtainable, the title or serial number, the source, and the purchase price are included in the item.

THE CHARACTERISTICS OF LUBRICANTS and lubrication systems, with particular reference to the effects of temperature changes, are being studied by the automotive power plants section of the Bureau of Standards by authorization of the Bureau of Aeronautics of the Navy Department.

To facilitate the study, an air-cooled radial engine has been mounted in one of the altitude chambers at the Bureau, an arrangement providing the low temperatures necessary to the tests. The engine is completely equipped for measuring the flow of oil under different conditions. Along with taking these measurements, the Bureau is experimenting with the pump and other elements of the lubrication system.

This investigation is of fundamental importance, the Bureau explains, because at low temperatures the transfer of the oil from the supply tank to the pump and then to the bearing surfaces is usually difficult, for "the oil may flow more slowly than the traditional cold molasses." The dimensions of the pump and feed lines must be sufficient to provide adequate lubrication, and yet provision must also be made to prevent overcooling when temperature conditions permit the oil to flow freely, according to the Bureau's view of the problem.

THE SPECIFICATIONS FOR STITCHES, SEAMS, AND STITCHING issued by the Federal Specifications Board (F. S. B. No. 384), and published by the Bureau of Standards as Circular No. 283 present an analysis of seams and stitching used in the fabrication of garments and sewed articles. Although primarily for use in connection with articles required by the government departments these specifications may be useful to the entire sewing industry.

The stitches are divided into six classes, with several subdivisions of each class. All of the common types of seams are included, and many of the stitching types, especially the nondecorative types.

The stitches, seams, and stitching are defined and illustrated.

Circular No. 283 may be purchased from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 20 cents a copy.

IN CONNECTION WITH AN INVESTIGATION of harmful acidity in leather, the Bureau of Standards reports that a sample of light leather used for the bellows in photo-engraving cameras was examined for acid content as an explanation of its complete failure after a few years' use.

The leather had the characteristic "red decay" appearance, and was found to contain 2 per cent sulphuric acid. New leather of the same kind also showed the same amount of acid and gave a test for "pyrogallol tannins," which indicated, the Bureau explains, at least a sumac tannage in part.

The presence of the amount of acid disclosed both in the old and in the new leathers, the Bureau believes, accounts satisfactorily for the deterioration, even though some accelerating influences may have been present under the conditions of use. The complexity of the combinations in leather make it difficult to estab-

lish the cause of decay, the Bureau reports.

lish analytically the source of the acid, but the Bureau sees possibilities in the use of other materials in conjunction with the sumac for tanning and in the dye used for coloring.

PAPER IS CONSIDERABLY AFFECTED by changes in moisture content resulting from exposure to atmospheres of different relative humidities and the effects are manifested in the physical properties of the paper, says the Bureau of Standards in reporting an attempt to provide a small, relatively inexpensive test-

Apparatus for Conditioning and Testing Paper

ing unit for controlling humidity. The apparatus has been used only for the folding test, the one most affected by differences in humidity, the Bureau says.

A progress report on tests with this device was made by F. T. Carson before the February, 1926, meeting of the Technical Association of the Pulp and Paper Industry, and his report was published in the *Paper Trade Journal*, February 25, and the *Paper Mill and Wood Pulp News*, March 13.

WROUGHT IRON has been an important structural material for many centuries and even today, despite the keen competition of steel, there are many purposes for which it is preferred to steel by engineers, says the Bureau of Standards in commenting on the dearth of published information on wrought iron from the viewpoint of modern metallurgy.

Observation of Phosphorus in Wrought Iron

Because phosphorus is one of the ever-present impurities in wrought iron, the Bureau has made an investigation of its effect on the properties of the finished iron made by the old hand-puddling process and the new mechanical puddling process which has been advocated to reduce the labor cost.

Although the investigation was not extensive enough to justify any sweeping conclusions concerning the merits of iron made by the two processes, the Bureau reports that nothing was noted which would show that wrought iron made by hand puddling can not be equaled in quality by mechanical puddling.

AN OPTICAL METHOD for measuring with extreme accuracy the thermal expansion of the glazes used in the ceramic industry has been perfected by the Bureau of Standards, it reports. An accurate knowledge of the property of dilation will aid in reducing the losses from cracking of the glaze, the Bureau believes.

Glaze Dilation Measured by Optical Method

Glazed ware, which consists of a body of clay (terra cotta, porcelain, or white ware) covered with a thin vitreous layer is used extensively in the building trades, and for dishes, sanitary ware, and objects of art. The large percentage of failure of this sort, owing to cracking of the glaze, is a serious defect that causes enormous losses to the ceramic industry, to builders and to other users, the Bureau says.

The new method of measuring thermal dilation, if used in conjunction with proper factory control, the Bureau believes, should assist manufacturers to prevent failure of their wares.

BECAUSE OF THE CONFUSION in the minds of many trappers, furriers, and wardens over the meaning of the terms "prime" and "unprime," and "legal" and "illegal" when applied to furs, the Biological Survey of the Department of Agriculture has defined the terms, as follows:

Definition of Terms Used in the Fur Trade

"Primeness is determined by examining the skin side, which, if the pelt is fresh, should be fairly white or cream colored and show some 'life' when handled. Black or blue spots in the



Up, Through and Out with Double-Tractions

Powerfully built with eightyground-gripping cogs giving utmost tractive power, these big Firestone Double-Tractions move loaded trucks up, through and out of excavations that look impossible.

Tough, resilient, slow-wearing compound, carefully cured,

insures longer mileage with no sacrifice to cushioning. Large volumes of rubber, with high profile, absorb road vibrations.

Get Most Miles per Dollar out of your tires and realize "most miles per day" from your trucks. See your Firestone dealer—today.

MOST MILES PER DOLLAR

Firestone



AMERICANS SHOULD PRODUCE THEIR OWN RUBBER *W. B. Firestone*

Envelopes!



Write For This Booklet—It's FREE

Made direct from roll of paper and printed at one operation by the Cupples improved process, reducing manufacturing cost and lowering price to you.

For economy, efficiency and service in your envelope requirements consult

Samuel Cupples Envelope Co.

628 S. Sixth St., St. Louis
7-9-11 Lighthouse, New York

ECONOMY LIFTERS

Stackers—Tying Machines
— Portable or Stationary

Economy Engineering Co.
2693 W. Van Buren St., Chicago
342 Madison Ave., New York

WHEN IN NEED OF

CABLE CODES

SEND FOR PRICE LIST

O. C. BENSINGER CO. INC. 15 Whitehall St. New York

SPECIAL OFFER

A. B. C. Code 6th Edition . . . \$16.00
BENTLEY COMPLETE TRAVELERS
SIZE . . . 7.50
TOGETHER \$18.75 delivered

Equitable Service

The following are some of the major services of The Equitable available to business men through their local banks.

Letters of Credit

Provide for the issuance of E.T.C. Letters of Credit, in both U.S. dollars and foreign currencies. They may be issued by and imprinted with the names of local banks.

Export and Import Letters of Credit

Arrange for the issuance of commercial letters of credit for the importation and exportation of merchandise.

Foreign Exchange

Arrange for the issuance of checks and drafts for the mail transfer of funds to foreign countries. Arrange for the purchase and sale of drafts, cable transfers, and exchange payable at future dates, and for the purchase of sight and time documentary bills in foreign countries.

Acceptances and Discounts

Arrange for the acceptance of drafts for customers' accounts when commodities are sent abroad on consignment, and for the acceptance of drafts to create dollar exchange abroad.

Quotations

Arrange to obtain bond quotations and execute orders in the principal markets of the world.

Credit Information

Arrange to furnish industrial, trade and credit information on any part of the world.

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skin indicate that it is unprime. Skins turn yellow with age and lose their firmness. The outside of a prime fur should be perfectly and evenly furred all over, both on the back and on the belly, with the fur reasonably long, lustrous and silky. There should be no rubbed spots or defects. A trapper can not tell whether the skin is prime before he skins the animal, however, for the outside appearance alone is not conclusive evidence in the matter.

"Legal" and "illegal" on the other hand, relate specifically to furs taken in open or close seasons—purely a question of date. If a fur-bearing animal is trapped after the opening of the season, then it is taken legally, and the skin is termed legal, although on examination it may be unprime. An animal caught during the close season, on the other hand, regardless of the condition of the pelt, is taken illegally. A frequent defect in the fur laws of the various states is that the open season is so long as to permit trappings before the pelts are prime in fall and after breeding is in progress in spring. The only application, then, that "unprime" could have to the law would be to "unprime" skins taken in close season. These, as well as all others taken in close season, would be illegal skins."

CONCLUSION MADE BY MEMBERS of the United States Tariff Commission with regard to domestic and foreign costs of manufacturing taximeters are

Duty on Meters for Taxis Up 27.1 Per Cent presented in an eighteen-page publication, which includes a statement signed by Commissioners Marvin, Dennis, Baldwin, and

Brossard, a dissenting statement by Commissioner Costigan, and a report on his statement by Commissioners Marvin, Baldwin, and Brossard.

An appendix presents the President's proclamation by which the duty on taximeters was increased at "the rate of 27.1 per centum ad valorem based and assessed upon the American selling price as defined in subdivision (f) of section 402" of the tariff act of 1922, in addition to the specific rate of \$3.

Copies of this publication, "Taximeters," are obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 5 cents a copy.

NO CHANGES IN THE PRESENT LIST of four recognized varieties of paving brick were made by the permanent committee on Paving Brick

No Changes in Varieties of Paving Brick Simplification, cooperating with the Department of Commerce, when the committee held its annual meeting in Washington.

Of the total shipments of 353,600,000 brick in 1925, which amounted to 96 per cent of the industry's capacity, the four recognized varieties constituted 74.2 per cent, compared with 82.1 per cent in 1924. This apparent decline was traced to the increased demand for thinner brick. Because of this demand and because of the showing made by 2½-inch brick in the tests of brick road construction by the Bureau of Public Roads at its experiment station near Arlington, Virginia, the committee considered a proposal to declare 2½-inch brick a recognized variety. The proposal failed to pass.

ABOUT ONE-THIRD of India's annual imports of agricultural implements and machinery are of American origin, according to a trade bulletin published by the

India Makes Limited Use of Farm Machinery United States Department of Commerce. Exports of American farm equipment to India during 1925 were valued at \$335,000, a considerable gain over 1924, the bulletin says. Wheel tractors constituted the largest item in the total, amounting to approximately \$135,000.

Although India's population includes 80,000,000 farmers and the quantity of implements

manufactured is small, the total annual imports of farm implements and machinery seldom exceed \$1,000,000. By way of contrast, the report points out that Argentina, with a population only one-thirtieth as large as India's, imports every year fifteen times as much farm equipment. Ignorance of modern agricultural methods and small purchasing power are the reasons given for the failure of the Indian farmers to make greater use of the improved tools and machines now available for farm work.

This report, "Modern Farm Equipment in India," published by the Department of Commerce as Trade Information Bulletin No. 397, is obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., or any district office of the Bureau of Foreign and Domestic Commerce at 10 cents a copy.

A PRELIMINARY REPORT on the census of dyes and other synthetic organic chemicals made by the United States Tariff Commission shows a domestic production of coal-tar dyes for the calendar year 1925 of about 86,000,000 pounds, valued at approximately \$40,000,000. The quantity produced in 1925 increased 25 per cent over the production in 1924. The total sales of dyes in 1925 were about 79,000,000 pounds, valued at \$36,900,000, an increase of nearly 22 per cent in quantity and a 5 per cent increase in total value over the corresponding figures for 1924. The increases in production and in sales are attributed by the Commission to the greater activity of the domestic textile industry, and to an improvement in export trade in indigo and in sulphur black.

The outstanding developments during the year, as reported by the Commission, were: Continued recessions in prices of dyes, owing largely to the severe competition among the domestic manufacturers; conspicuous progress in the manufacture of fast dyes, many valuable dyes of high fastness having been produced for the first time; a 75 per cent increase by quantity and a 65 per cent increase by value in the import of dyes; and an increase of 64 per cent by quantity and 19 per cent by value in the exports of dyes.

AN INCREASE from 8 cents a pound to 12 cents a pound in the tariff on butter has been declared by President Coolidge in a proclamation based on findings of the United States Tariff Commission. These findings are presented in a report published by the Commission. Denmark is disclosed as the principal competing country. This report on butter is obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 25 cents a copy.

Butter Tariff Increased 4 Cents a Pound

AN 85-PAGE REFERENCE list of books and current publications relating to the choice of occupations, for the use of "teachers, counselors, and youths," has been issued by the Federal Board for Vocational Education, Washington, D. C., with the title "Bibliography on Vocational Guidance."

Reference List for Guidance to Vocations

A prefatory note explains that "as for the books, the list embraces practically every book published in this country bearing directly upon the subject of vocational guidance or upon some of its phases," and that "the current literature references which are listed here have been selected in all cases because of their value to the counselor and in most cases are of relatively recent date."

This reference list, a revised edition of Bulletin No. 66, is obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 15 cents a copy.



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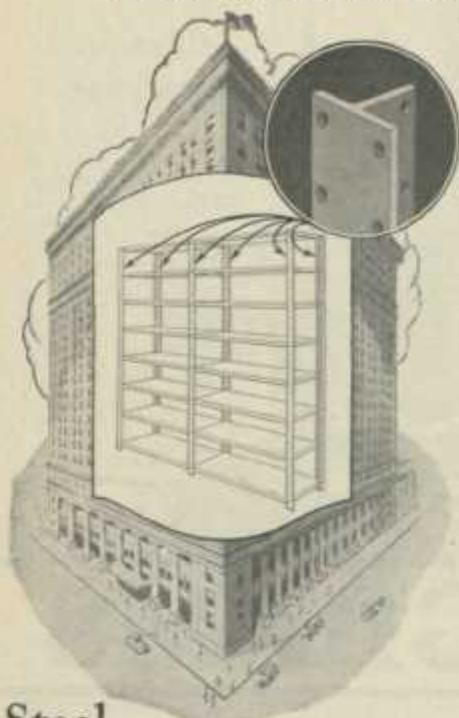
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Chips from the Editor's Work Bench

By RAYMOND C. WILLOUGHBY

WITH so many American women favoring abbreviated skirts, "kneecap" might easily be mistaken for the mother of hosiery invention. For where is the pride that can survive a run in the stocking when its complete exposure is assured by fashion's skimpiness with skirts? Truly pride goeth before a run. And who has not been surprised at sight of a silken ladder ascending from even the best regulated clocks? But from now on, American women may expect every stocking to do its full duty. A machine has been invented by Monsieur Serra of Lyons to make run-proof hosiery from silk, rayon, or cotton. The patent rights in Eng-



land are held by the M. C. Foister Company of Leicester.

Even if only as a low sort of pun, it does seem worth while to add the footnote that the run is on the run.

NOT EVERY combination of business concerns is able to capture popular interest with any quality other than size—the many millions amalgamated under one name. In the consolidation of the Mechanics & Metals National Bank and the Chase National Bank of New York an exception should be noted. Though the ninety millions in the capital structure of the new bank make an impressive showing, there is another aspect to bind attention—the fine flavor of a respectable and useful age. One of the banks was founded in 1810, the other in 1877, a total age of 165 years. The times of their foundations, and the character of their service marked them as familiar institutions. Perhaps it is the assuring implications of that word "institution" which distinguished this corporate union.

FIFTY new colors have been especially produced for autumn by the Textile Color Card Association for the woolen industry. These colors, approved by the American Association of Woolen and Worsted Manufacturers, are shown on a card designated as the "1926 fall season woolen color card of America"—the first separate and distinct color card issued for woolen manufacturers and jobbers.

The colors so announced give no mark of respect to the accepted tradition of "melancholy days . . . the saddest of the year," for they hold enough wealth of tinting to enrich all the sere and yellow aspects of autumn—Gardenia, Robinhood, and Forest Green among the greens; Glacier Blue, Radio Blue, and Sinbad Blue among the blues; Cedarbark, Rose Oak, Tokay, Mauve-wood, Syrup, Winter Leaf and Thrush among the tans and browns; and Bordeaux, Peony Red, Chimney Red and Ember among the reds—a sort of tone poem in blank verse to acclaim

the bright splendor of autumn, to give chromatic substance to that page in "The Blank Book of a Country Schoolmaster" on which he wrote:

Magnificent Autumn! He comes not like a pilgrim clad in russet weeds. He comes not like a hermit, clad in gray. But he comes like a warrior, with the stain of blood upon his brazen mail. His crimson scarf is rent. His scarlet banner drips with gore. His step is like a fall upon the threshing floor.

That's prose in a mechanical sense, of course, but the man who wrote it was a poet at heart, and poets, too, are the men who can put color of romance on the prosaic business of life.

TO RAISE a girl to the age of 18 costs \$6,167 and to raise a boy to that age costs \$6,077, the Metropolitan Life Insurance Company tells the world after sifting reams of representative records. Detouring around the moot question of whether it costs more to "rear" than to "raise" a child, it is fairly clear that the business of parenthood is a profitable form of trading in futures that will never be outlawed.

SHOALS of ardent adjectives swirl about the great deeds of the Pearys, Nansens, Scotts, Stefanssons, Amundsens, and Wilkinses of this world, for theirs is the bright fame of romantic exploration and discovery in remote and perilous places. Not so glowing is the usual acclaim for the dramas of business enterprise enacted far from the last outposts of civilization, possibly because the quest of new sources of supply of the world's goods is a regular necessity, and that business makes no pomp or circumstance of fitting out exploring expeditions, nor are



their members likely to be singled out for the heady accolade of press and pulpit notice.

Though workaday exploits in the service of business are tremendous and important, their chroniclers seem to have no heart in putting themselves into a proper narrative. Else would the recorders give these modern Argonauts their due, and would report that were a man to wish spirited adventure far from the tourist lanes, he would most surely come to it in the affairs of "dull old business houses."

For evidence stands the costly three years' quest of oil in the Cold Bay region on the Alaskan peninsula. From that rigorous climate have now returned the crew of men sent by the Standard Oil Company of California. These adventurers found no sign of oil, though they managed to drill 5,000 feet into the earth, including 1,600 feet of sandstone. Their story reveals that they had to break a road from Kanatak on the bay to

Three years ago
a valley of farms—

Today?

Let these pictures
answer for the
amazing growth of

LONGVIEW

Washington

PERMANENT, substantial cities do not spring from grass roots in three short years to house and employ 10,000 inhabitants without strong justification.

That is what Longview, Washington, has done and these are the facts that warranted its amazing growth:

Three transcontinental railroads. The Columbia River with its ocean going commerce to the leading ports of the world. Proximity of boundless resources, including the finest stands of timber in America. Cheap power, abundant fuel. A climate unsurpassed anywhere. A "three-story" land of plenty—minerals beneath, rich grass, grains and cattle on the surface and fruits in the trees.

To these facts, with the building and populating of the city, have been added as further justification for growth:

A model community of paved streets, boulevards, parks, fine buildings, hotels, beautiful and comfortable homes. The largest lumber manufacturing plants in the world. A second group of lumber plants now being built which, when in operation, will mean that more lumber will be manufactured in Longview than in any other city in the world.

If all of this permanent, substantial, rapid growth has come to Longview in three years, without a boom or boom methods, what of five years, or ten years, or twenty years?



It is not uncommon to see three or four great ocean freighters loading lumber at Longview docks on the Columbia River. When this photograph was made last February, two ships were loading for Japan, one for Australia and another for the Atlantic Coast.



At the left is the new public library opened in April. It fronts on Jefferson Square, a civic center park adjacent to the business district. Hotel Monticello, second to none in the Pacific Northwest, also fronts on Jefferson Square.

A view of one of the principal business streets. Every building seen is a permanent structure, all new and modern. Longview's stores are equal to any in cities many times its size.



At the left a summer scene on the lawn beside Hotel Monticello. Longview's climate is so mild that its people may spend comfortably their leisure hours outdoors ninety per cent of the entire year.



Lying crescent shaped and touching several of the residential sections is Lake Bucklaw, a spot of wonderful beauty. One and one-half miles in length, it is bordered with an ever-green park, flowers and trees. Nichole Boulevard and Kessler Boulevard completely encircle the lake, making a three-mile drive. Many beautiful homes front upon these boulevards.



Here is a business thoroughfare, 120 feet wide, beautifully parked down its center. It connects Hotel Monticello and the handsome new railway station which are a mile apart. The station is seen in the distance.

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the place, 17 miles inland, where they chose to drill. This trail blazing required the making of a pass through two mountain ranges, and the fording of several waterways. Every sort of progress was a grim struggle—blizzards and hurricanes harassed them from the bay, and the stubborn stone yielded only a foot a day to the drills. Storms off the coast raged so violently at times that the supply boats could not get close enough to the coast to land their cargoes at Kanatak.

Three years the men kept to their purpose. The quest was not abandoned until the drill came up "dry" from the 5,000 foot level. Nature was no kinder at their departure. The return to the coast is condensed to this vivid terseness—"the gang boxed up its gear and pulled out, using its tractor for the last trek over the road to Kanatak, which nature blotted out behind them with tremendous snow drifts."

So, in the ordinary course of business, with expending several hundred thousands of dollars, a prosaic corporation and twenty of its employes have contributed an amazing epic of human endurance and fortitude.

DESPITE increased traffic, the railroads of the United States reduced the amounts of loss and damage claims from \$45,975,675 for 1924 to \$36,760,941 for 1925, a saving of more than \$9,000,000. Compared with 1920, the loss and damage claims in 1925 show a cut of two thirds, accomplishing a net saving of \$83,072,000, and the number of claims was halved. The



record also shows that 70 per cent of all the claims settled in 1925 were settled within thirty days, and that 80 per cent of the claims settled last year were settled within ninety days. At the end of the year the number of unsettled claims was 204,962, as compared with 542,393 at the end of 1920. In less than one half of 1 per cent of the claims were there court proceedings.

Progress is steady in establishing cooperation between shipper and carrier in eliminating the economic waste of bad packing, rough handling and dishonesty. Methods for economical and scientific packing are diligently developed. Losses from theft and robbery were decreased from \$12,875,000 in 1920 to \$1,492,000 in 1925. One hundred thousand arrests are made, as an annual average, by railroad police, and convictions in 90 per cent of the cases are reported.

Such are the fleshless details, the bare bones of some of the contributions of America's railroads to the elimination of waste in industry. By their useful works are the roads able to hold the public's confidence and custom. Their managers are showing that they know good service for a dependable source of good will.

DWELLING houses may and do endure for hundreds of years, though their average life is much shorter and complete

structural depreciation is usually accomplished within a century. So discovered engineers of the National Lumber Manufacturers Association when making an investigation to determine how long houses "live." Exceptional, of course, is the famous frame house at Dedham, Massachusetts, which was built in 1636, for most houses do not survive seventy years of service, a circumstance to indicate sympathetic relationship between houses and men in establishing belief in a traditional span of life.

To any one it must be plain that houses and men do have many qualities in common—they are susceptible to disease and suffer from neglect, and if subjected to a climate or to a use for which they were not intended, they disintegrate rapidly. For illustration, consider the ravages of dry rot. This disease of wood is estimated to cause a loss in our



southern states of \$4,000,000 a year, and the aggregate loss for the nation, the engineers say, probably amounts to hundreds of millions of dollars.

This focus of expert attention on the diseases of wood is well calculated to stimulate the invention of remedies, and in fact, hopeful progress in that behalf is reported. But what of the Horace Kinches of this world?—the sort of man of whom it was written

As it is in wood, so it is in men. Dry rot advances at a compound usury quite incalculable. A plank is found infected with it, and the whole structure is devoted. Thus it has been with the unhappy Horace Kinch, lately buried by a small subscription. Those who knew him had not high done saying, "So well off, so comfortably established, with such hope before him and yet, it is feared with a slight touch of dry rot," when lo! the man was all dry rot and dust.

Saving wood is a matter of importance, of course, but saving men is clearly vital to any reasoned program for conservation of the nation's resources.

ARRIVALS of immigrants constituting the professional classes of their native countries have increased since 1920 in proportion to other classes. So finds the National Industrial Conference Board of New York after poring over a batch of immigration statistics. In the years immediately preceding the World War, a decline was apparent in the number of teachers, students, academicians, artists, musicians and writers leaving Europe for residence in the United States. During the fiscal year 1924-1925 their number was three times as large as the average for the years 1910 to 1914, the Board's study shows.

This finding is a mirror in which the Board sees reflected the economic hardships endured in Europe after the war. Persons trained for professions, the Board also finds, generally come to stay, "resembling therein the agricultural immigrants and skilled workers, and in contrast to the immigrants

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classified as common labor, who, to a large extent, after a few years return to their homes often in excess of new arrivals." By way of emphasis the Board serves up convincing figures: Of the 62,124 aliens in the so-called professional classes who came to this country during the period 1910 to 1914, 50,107, or more than four-fifths of the total number, stayed; and of the 89,790 who came during the period 1920 to 1926, 73,019, or nearly four-fifths, remained.

These revelations are informative and provide material for further research, for there is still that interesting question of determining the cultural contributions that may be traceable to alien strains in our population, still the matter of knowing whether or not our "music is almost wholly German or Italian; our painting is French, our literature may be anything from English to Russian; our architecture is likely to be a phantasmagoria of borrowings. The American educational system from kindergarten to university has been patterned on German models." Possibly that critical judgment proceeded from a partisan theory rather than a demonstrable theorem, though it does get down to vital statistics with declaring that "even so elemental an art as cookery shows no national development," for "any decent restaurant that one blunders upon in the land is likely to be French, and if not French, then Italian or Chinese."

Even so, there need be no shame from the indictment. If it implies that there's nothing really "American" about the "American plan," it also itemizes the knowledge that 100 per cent Americanism has always been the sum of all its parts.

ALONG with all the complicated contentions for calendar reform, a part of the populace is still clamoring for more holidays and more paydays. But all pay and no work would also make Jack a dull boy.

TREATING hard water with lime to make it soft is saving millions of dollars every year in fuel for boilers and in soap for household use. So reports the National Lime Association through its manager, L. B. Burt, of Washington, D. C. This report cites an address made by Ross A. Thuma, in charge of the water purification plant at St. Paul, Minnesota, who said that using "a formula for soap saved by softening water, it was found that the soap requirement was decreased at the rate of 21 pounds per thousand gallons, or 21,000 pounds per million gallons of water used with soap."

The consequences of that denaturing process do not seem well calculated to stir soap makers into a lather of hilarious acclaim, but they do set off some bubbles of speculation on ways and means to relax the hard-boiled quality of eggs and egos.

ALONG with all the tall talk about agricultural relief comes a report from the Department of Commerce on farm operations in the District of Columbia, which shows 139 farms with an aggregate of 3,813 acres. Considering that these farms are right in the heart of the legislative belt, they might serve as proving grounds for the plain and fancy prescriptions compounded in the Congress before infliction on the rest of the country. The objection is, of course, that the Congressional medicine men and their advisers have not been able to agree on the remedy to be administered—a matter, perhaps, of confusing pill rolling with log rolling.

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For information address Secretary, Board of Managers, National School for Commercial and Trade Organization Executives, 1020 Metropolitan Building, 134 N. La Salle Street, Chicago, Illinois.

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John Davey, Father of Tree Surgery, who not only gave the world a new science but also a new philosophy

1926 is the Silver Jubilee Year of Davey Tree Surgeons

3000 people gathered in the State Armory at Akron (12 miles from Kent) on March 6, to participate in a great Silver Jubilee Celebration of The Davey Tree Expert Company—all for the purpose of paying a fitting tribute to John Davey, Father of Tree Surgery, who made a magnificent contribution to civilization.

25 years ago John Davey brought forth his first book, "The Tree Doctor," that was intended to awaken America to the appalling neglect and abuse of her invaluable trees. It was not his original purpose to found a great business, but rather to do a great service for his adopted country that he loved.

The Davey organization was a natural and logical outgrowth of the public demand that was created for the services of skilled and reliable Tree Surgeons. While the Davey organization itself is 25 years old, the science of Tree Surgery was born nearly a half century ago in the mind and heart of John Davey, who saw with understanding eyes the tragic and unnecessary loss of priceless trees. John Davey taught the philosophy of the tree as a living thing, as of elemental value to all life, as of incomparable beauty and loveliness. His was a voice crying in the wilderness, "Save your trees!"

The Davey Tree Expert Co., Inc.
436 City Bank Bldg.,
Kent, Ohio

News of Organized Business

By ROBERT L. BARNES

WITH the belief that Cleveland was failing to give its boys and girls the right preparation in the industrial fields which the large majority of them finally enter, the Chamber of Commerce undertook a survey of the industrial training schools of the city.



On the basis of the study a report was issued which is impressive both on account of the business-like way in which the whole situation was studied and because

of the extent of the material examined.

Not satisfied with the study made of local schools, the chamber committee visited eleven cities throughout the country from Boston to Minneapolis, interviewed many employers who were in the main favorably disposed toward the work, and collected much data. This study led the committee to several instructing conclusions: Industrial schools are successfully training boys and girls for useful employment; they are not teaching boys and girls of low mentality; they do not neglect the cultural side of education; the most successful schools are those best adapted to local industry.

The obstacles to the further development are: the almost universal belief that manual labor is degrading, and the scarcity of teachers properly trained.

To make vocational training effective the report recommends that employers be asked their advice on the courses of study and policies, and that permanent advisory boards be set up to help in the training and placing of men.

The report includes a study of part-time and continuation schools, a study of the schools visited, a presentation of business men's opinions and statistical tables.

Copies of this report, "Industry and the Cleveland Schools," may be obtained from the Cleveland Chamber of Commerce for 50 cents.

Destructive Trade Practices Condemned

BECAUSE of the wide circulation and approval of "The Principles of Business Conduct," adopted by the Chamber of Commerce of the United States at the annual meeting in Cleveland in 1924, the National Distribution Conference decided that each trade should elaborate and codify the principles for its members, enumerating destructive practices. The National Machine Tool Builders Association was the first to act on the decision. The Rochester Chamber of Commerce asked the Domestic Distribution Department of the National Chamber for an elaboration of the principles with regard to retail trade. These codes have been prepared, and others are in course of preparation.

An illustration of the character of the work done by the organization is principle 10 of the retailers' code which condemns: "Excesses of every nature—inflation of credit, overexpansion, overbuying, overstimulation of sales—which create artificial conditions and produce crises and depressions."

The destructive practices enumerated are: granting credit to unreliable customers, over-selling customers, overstocking merchandise from manufacturer or wholesaler, offering and extending services that do not fill an economic need.

Foreign Trade Information

THE Foreign Commerce Department of the National Chamber has issued two reports, "United States Trade Promotion Agencies

Abroad" and "Our World Trade in 1925." The first report lists American chambers of commerce, consulates and diplomatic representatives in foreign countries. The second report presents the results of a study of the value and volume of principal exports and imports between the United States and its chief foreign markets.

"Our World Trade in 1925" contains three charts; one on the chief markets and suppliers in 1925, which shows the value of our imports and exports to the important foreign countries; another, on our chief imports, their value and relation to the total imports; and a third chart, on the chief exports.

The foreword of the report says:

Certain of our correspondents have pointed out that our one-two-three arrangement of exports and imports attracts attention to individual items and away from trade groups. Thus, in exports, if you combine the refined mineral oils, that group totals in value more than automobiles; if you combine machinery, you will bring that group as a whole high up in the value table. . . . We endeavor to point out the importance of the groups in the text, but in our detailed tables we believe the degree of specialization of commodities we have used is advisable in discussing either imports or exports in order of their importance.

Either of these books may be obtained on application to the Foreign Commerce Department, Chamber of Commerce of the United States, Washington, D. C.

Kansas City Cleans Up

KANSAS CITY is making two interesting campaigns, one for the improvement of the business district's general appearance and the other to rid the city of what is locally known as "Yokel Row."



The Kansas City Real Estate Board is cleaning up the downtown districts so that they can be compared more favorably with the residential districts. This activity accords with a plea made by Mr. Ennis of Kansas City,

former president of the National Association of Real Estate Boards, for greater orderliness and beauty in the business districts of American cities. When speaking last summer at the annual convention of realtors in Detroit, he said:

Skyscrapers are placed side by side with dilapidated fire-traps which may be dusty and uninviting and badly in need of repair, and, if such, are usually partially vacant. In addition a half dozen "For Rent" signs may be plastered on windows and walls. Our cities are today struggling with an excessive use of signboards. . . . Streets which otherwise would be beautiful are made ugly and cheap, and become second- and third-rate streets. I have seen vacant lots filled with old automobiles and other rubbish. Advertising companies secure for a mere pittance the prominent vacant properties of our cities . . . roofs, and fronts of buildings. . . .

The other campaign is being made by the Main Street Improvement Association. Business men have urged the police to rid the streets of beggars, panhandlers, and merchants soliciting on the sidewalks. The "cappers" employed by these merchants to prey on the rural visitors are to receive special attention in the drive. The aid of the police was sought by the



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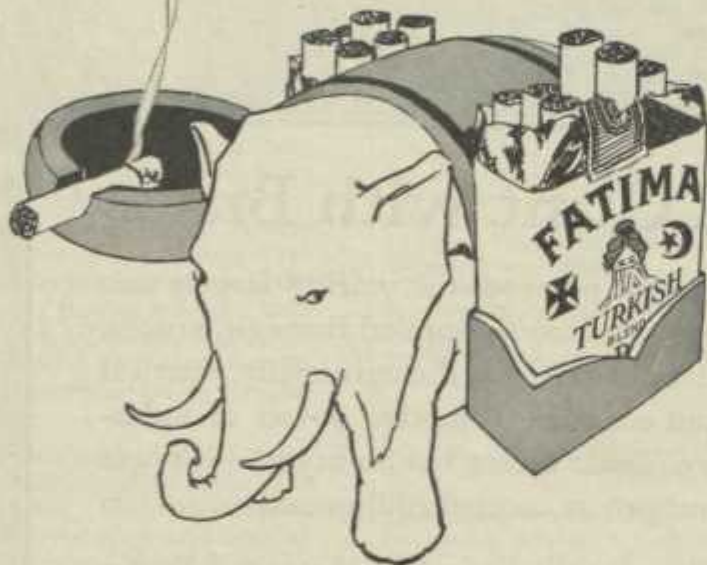


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What a whale of a difference just a few cents make

LOGGETT & MYERS TOBACCO CO.

Association because of the difficulty in getting the victims to prosecute.

A View of Industrial Expansion

RETAILERS and real estate men often subject local chambers of commerce to much pressure in their eagerness to bring industries to a town, whether that industry is suitable to local conditions or not, reports Colvin Brown, chief of the Organization Service Bureau of the Chamber of Commerce of the United States. Mr. Brown made this statement after returning from a four-month trip in the southwestern states, and California, Washington and Utah, during which he addressed sixty-one meetings with an aggregate attendance of more than 6,900.

A sound basis for chamber growth, Mr. Brown believes, consists in working out the proper relation between membership and income. In explanation of this point of view, he said: There are three types of members, those organizationally minded, those to whom the association is pleasant, and finally that great class who go in only to get something for personal gain out of it. On the first two classes, a chamber should be built. Dependability of membership is more important than size of it.

The important thing for a chamber to realize is that the machinery must not be too rigid. To a business man the chamber work is a side line, and to be a willing and helpful member he must know how much time this work is going to take. For that reason, it is better to have few standing committees and to work chiefly through special committees appointed as the need arises. For instance, if a road is in bad shape and a town is losing business on this account, appoint a committee to investigate the situation and make a report; but disband the committee when the work is done. Problems cannot secure the willing cooperation of business men if they are not sure how much time will have to be given to the work. General committee assignments are too indefinite to enable them to determine the time required.

The growth of a city is conditioned on the development of its resources and making the most of its advantages more than on the size of the advertising appropriation. The study of any town will reveal the fact that if a small local industry has been able to prosper and grow, its growth has attracted other plants of similar nature to the town. Advertising and solicitation of industries are strenuously urged on chambers as a part of their work by retailers and real estate men because they know of the increased buying power created by a plant. This is not always a wise program to follow, because an industry that is not suited to a town will do it more harm through its failure than any possible increased buying power can do it good. The thing to be borne in mind is that the possibilities for industrial growth are from within more than from without.

A town must grow on a basis of its natural resources and advantages. To this end, many towns have set up industrial commissions to study the real resources and then on that basis to solicit industries; but, chiefly, they are to help the already established small plant to expand. This is by far the wisest plan. A small manufacturer who has proved his worth in a town and whose prospects are good deserves the help of his fellow-citizens, and the chances of his continued success are greater than are the chances of a new plant brought into the city.

The great asset that a chamber of commerce has over any other organization is that it is not the tool of any one interest and is the representative of all. The chamber can command the attention and respect of all citizens and be a leader in all civic development.

Good Ways to Build Good-Will

THE CHAMBERS of Commerce of the Oranges and Maplewood (New Jersey) employ a hostess whose business it is to call on new residents and help them secure telephone service, introduce their children to the

The good Painter
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a
good
brush.

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he selects

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Good painters know through experience that the "goodness" of the job is determined by the goodness of the brush.

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Don't Fail to Send
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ADVERTISING**

Shows how to increase sales and decrease
selling costs.

"Wonderful Stuff!" is echoed by all who have read it. "Recently I invested in a set of business books that cost a lot of money," wrote one;—"But I got more real benefit from your little book than from all of them!"

Ask, now, all you have to do to get YOUR COPY is to clip out this advertisement, give it to your regular business letterhead, and mail it to the

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149 Albany St., Cambridge, Mass.

When writing to the above advertisers please mention Nation's Business

school department, and to assist them in every way possible. A moving picture photographer is also employed to make a weekly news-reel of events of community interest and the activities of the chamber. The pictures are shown at the local theaters.

The Cincinnati Chamber of Commerce sponsored a series of twenty radio concerts to advertise the Queen City of the West, promote co-operation, increase good-will, and to create a better appreciation of the mutual interdependence of all communities.

California Secretaries to Meet

STANFORD UNIVERSITY will hold a summer school for commercial organization executives under the auspices of the California

Association for Commercial Secretaries and the Chamber of Commerce of the United States. It will be in session during the week of July 27. Professor Cottrell of the Department of Political Science, Stanford University, will be in charge. Among the lecturers are E. W. McCullough of the



Department of Manufacture and Alvin B. Dodd of the Domestic Distribution Department of the Chamber of Commerce of the United States.

Practice of Grade-Marking Popular

THE Southern Pine Association is a pioneer in the field of grade-marking lumber, and its campaign to promote this practice has met with marked success. Retailing of lumber is greatly facilitated, and better relations are established between manufacturer, consumer, and dealer.

In view of the success of the Southern Pine Association's campaign in promoting standardization and grade-marking, it is worth while to note that, under the auspices of the American Institute of Steel Construction, meetings are being held in large cities to discuss uniform practices in the structural steel industries.

The California Retail Lumbermen's Association has also trade-marked and copyrighted a certificate of grade to be issued by the retailers to the consumers. The Association is doing this in the belief that it will establish a wider realization of the difference in grade as well as in price. The Association has also adopted a voluntary publicity plan by which the dealers of a community may subscribe any amount they wish and the Association will contribute an equal amount. This money is to be used in advertising designed to explain to the public the idea of certified material.

The Southern Pine Association recently conducted a contest to find some practical means for grade-marking. The first prize was awarded for an electrical device; the second, for a hand-operated machine; and the third, for a machine operated by air pressure. These machines will be put on the market. The Association will also publish the names of dealers selling grade-marked lumber.

Do Children Like Their City?

DO THE children of a town like it? Do they intend to stay there when they grow up? What don't they like about it? These are some of the questions that the Van Wert, Ohio, Community Clearing House circulated among the school children from the fifth grade to the senior year in high school. The results are informative and are being used by business men of the city. The usefulness of this questionnaire would have been increased if the range of age included were not so great and there had been a little more explanation of the answers. Nearly all the children had earned money at one time or another, the answers



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Your City Directory automatically provides a permanent inventory of the potentialities of any section or the city as a whole. You will find the leaders in their respective lines prominently emphasized therein.

Avocational canvass or a close canvass by territories will be facilitated by ref-

erence to the proper sections of your City Directory. Thus a 100% coverage is assured. Even those who do not have telephones are included in the City Directory.



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NATION'S BUSINESS, Washington

showed, but whether for self-support or because their mothers wanted to keep them out of mischief was not disclosed—a circumstance that has considerable bearing on the value of their answers.

Has Your City Sporting Blood?

UNDER the caption "What Do You Say?" the Scranton Chamber of Commerce Bulletin carried this appraisal of community spirit by Damon Runyan, the well-known sports writer.

I hold that every city has—or has not—what I might call sporting blood. I mean to say its citizens either believe in its future, or they don't believe in it.

In the first case they manifest their belief by betting their good money on their city, by putting it into real estate and home industries, by spreading their currency in development projects.

In the second case they keep their money in their pockets, or hide it under the rock of extreme caution or conservatism. They wouldn't bet a nickel that the sun is going to shine over their town.

You undoubtedly know of cities well populated by these careful souls, and it is a 6 to 5 bet that their cities have not moved up an inch in many years, but are still laboring along far back in the ruck of progress.

Executives to Go Abroad to Study

A GROUP of executives, representing some of the largest financial and industrial houses throughout the country, will go abroad this summer to study business practices and current economic conditions under the auspices of the American Management Association. Groups will be formed to study the best methods in production, sales, office, financial and labor management. Conferences will be held with business men,

government authorities, economists and leaders in various other fields abroad.

A special program of activities has been planned for the families of the executive group. Museums, monuments and other attractions will be visited.

The party will leave New York on July 10 and will return there on August 27. The Managing Director, 20 Vesey Street, New York City, will supply further information.

Trade Exhibition at New Orleans

NEW ORLEANS is to be the site of a permanent exhibition for business organizations. It is to be nonprofit-making and the rental of \$3 a square foot will be used for the operation and service of the exhibition building, for free steamship transportation for Latin-American buyers, and for advertising. The revenue is to be apportioned approximately equally to the three items indicated. Salesmen speaking different languages will be available without extra cost to the exhibitors. Exhibits will be insured from the rental charge. Further information may be obtained from the New Orleans Permanent International Trade Exhibition, Exhibition Building, New Orleans.

Real Estate Men to Go to School

NORTHWESTERN University, the National Association of Real Estate Boards, and the Institute for Research in Land Economics and Public Utilities will cooperate in conducting a short training school, August 1 to 7, at the University. The training is designed primarily for the teachers of real estate courses in approximately three hundred cities throughout the country.

Coming Business Conventions

(From Information Available May 5)

Date	Place	Organization
June 1-4	Washington, D. C.	Heating and Piping Contractors National Association.
1-5	Hot Springs, Va.	Electrical Supply Jobbers Association.
7-9	Toledo, Ohio	American Wholesale Coal Association.
7-10	Chicago, Ill.	American Surgical Trade Association.
7-10	St. Louis	Hotel Grocers of America.
7-11	White Sulphur Springs	National Fertilizer Association.
7-12	Detroit	Association of Operative Millers.
Wk of 7th	Buffalo	American Water Works Association.
Wk of 7th	Hot Springs, Va.	Associated Manufacturers of Electrical Supplies.
Wk of 7th	New York	Band Instrument Manufacturers Association.
Wk of 7th	New York	Music Industries Chamber of Commerce, Inc.
Wk of 7th	New York	Music Supply Association of America.
7-11	Tulsa, Okla.	National Association of Real Estate Boards.
8	Kansas City, Mo.	Southwestern Interstate Coal Operators Association.
2nd week	Milwaukee, Wis.	National Knitted Outerwear Association.
9	Chicago, Ill.	Wholesale Sash and Door Association.
8-9	New York	National Piano Manufacturers Association of America.
8-10	Chicago, Ill.	National Macaroni Manufacturers Association.
8-11	Detroit, Mich.	Automobile Body Builders Association.
8-11	Los Angeles	Pacific Coast Electrical Association.
9-12	Los Angeles	National Association of Purchasing Agents.
9-16	Atlantic City	The Railway Supply Manufacturers Association.
10-11	St. Louis	Hotel Men's Mutual Benefit Association of the U. S. and Canada.
10-12	Boston	National Association of Office Managers.
13	Roseland, N. Y.	American Dental Trade Association.
14-19	Montreal	Automobile Equipment Association.
14-17	Detroit	National Saddlery Manufacturers Association.
14-17	Detroit	Wholesale Saddlery Association of U. S. A.
15-18	Lake Placid, N. Y.	American Pharmaceutical Manufacturers Association.
16-18	Philadelphia	Society of Industrial Engineers.
15-18	Philadelphia	Linon Supply Association of America.
16-19	Spokane	Northwest Electric Light and Power Association.
19-24	Philadelphia	Associated Advertising Clubs of the World.
19-24	Philadelphia	National Associated Theater Program Publishers.
19-24	Philadelphia	National Advertising Commission.
19-24	Philadelphia	Public Utilities Advertising Association.
23	Philadelphia	Financial Advertisers Association.
20-22	Minneapolis	U. S. League of Local Building and Loan Associations.
21-24	Rochester, N. Y.	National Wholesale Grocers Association.
21-24	Milwaukee	International Stamp Manufacturers Association.
21-24	Rochester, N. Y.	National Association of Retail Grocers of the U. S.
21-25	Indianapolis	National Retail Hardware Association.
21-25	Atlantic City	American Society for Testing Materials.
Wk. of 23d	Los Angeles	National Editorial Association.
23	Chicago, Ill.	National Pickle Packers Association.
23-25	Louisville, Ky.	American Association of Nurserymen.
28-July 2	S. S. South	Central Electric Railway Association.
28-July 1	Philadelphia	International Association of Clothing Designers.
29-July 1	Chicago, Ill.	American Seed Trade Association.
29-July 2	Newark, N. J.	American Electro Platers Society.

Dates or places were not available for the conventions of the following organizations: American Automobile Association, American Cider Vinegar Manufacturers Association, American Macaroni Manufacturers Association, Insecticide and Disinfectant Manufacturing Association, Manufacturing Chemists Association, Metal Bed and Spring Bed Institute, Millinery Jobbers Association, National Association of Building Owners and Manufacturing, National Association of Leather Glove and Mitten Manufacturers, National Association of Master Plumbers of the U. S. A., National Association of Piano Bench and Stool Manufacturing.



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- "He talks so fast I'll be getting writer's cramp soon."
- "The other girls can't help me out."
- "I'm nothing but a hell dog."
- "Cold notes are maddening."

That's enough! I'll show him this trial offer right now.

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☐ I WANT to read what leading executives or secretaries say about increasing their ability with The Dictaphone. Mail me FREE copy of your booklet, "What's Wrong With Shorthand?"

I am a Secretary ☐ Executive ☐ (Check One)

☐ Please notify your nearest office to lend me a New Model 30 to try. I understand that this loan involves no expense or obligation.

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Sky-blue in color—about the size of a dollar bill, this particular scrap of paper bears the words *American Express Company* across its face, and the amount of its American money value in one corner.

Every bank in the world knows and respects it. The poorest peddler on the highway runs after you for it. The best shops in the biggest cities, hotel keepers, ticket agents, crave it. Camel boys of the desert, bell boys at the Ritz, smile and bow down before you if you carry it. Only one person in the world—the wise crook—has no use for it. He knows he cannot get away with it without committing forgery—so well guarded is your travel money when invested in

American Express Travelers Cheques

For more than 35 years these Cheques have been known as the *Safe and Sure and Serviceable* travel funds in all nations.

You sign your name on them when you buy them. That makes them *yours* and *yours only* until you sign them a second time when you want to use them as money anywhere. With your second signature, their magic begins.

It is the magic of Service—for these Cheques command for their users the experienced Service of the American Express' chain of international offices and personal representatives around the world—a Service so complete, so personal, so American, that 90% of Americans traveling in foreign lands use it.

American Express Travelers Cheques are issued in denominations of \$10, \$20, \$50 and \$100. They cost only 75c for \$100 worth.

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Secure your steamship tickets, hotel reservations and itineraries; or plan your cruise or tour through the American Express Travel Department

Reviews of Recent Business Books

The Interest Standard of Currency, by Ernst Dick. Houghton Mifflin Co., Boston and New York, 1926. \$5.

A clear mind and a clever pen present a new and unusual theory of price stabilization. Dr. Dick rejects both the gold standard and the index number standard of currency and proposes instead an interest standard. Keeping the rate of discount unchanged would produce, so he contends, a constant supply of money and a stable price level. He recognizes that his proposals are revolutionary and heretical—"unworthy of the notice of the professors"—but takes comfort in the belief that history will prove his theories correct.

History of Economic Progress in the United States, by Walter W. Jennings. Thomas Y. Crowell Company, New York, 1926.

We are learning that American history is as much a history of industry as of war and politics. The author is Associate Professor of Economic History in the University of Kentucky.

It is a history of progress, of improvement in condition. In the middle of the nineteenth century girls in cotton mills worked 13½ hours a day for two and three dollars a week. Prices were lower then, but not to overcome the difference.

The chapter on the growth of our manufactures in the period from the Civil War to the end of the century is a dramatic one.

The Ethics of Business, by Edgar L. Heermance. Harper & Brothers, New York, 1926.

Book of Business Standards, by J. George Frederick. Commercial Standards Council, New York, 1925. \$2.

Two books which indicate the growing interest in ethical codes for industry.

Mr. Heermance, who has already published a compilation of codes, here undertakes a comparative study of these codes. Such chapters as those on "Fair Competition," "Credits and

Contracts," and "A Fair Profit," indicate the nature of his study.

Mr. Frederick's book, which the Commercial Standards Council publishes, gives first a discussion, entertainingly written, of the conditions in business which codes of ethics seek to remedy. The second part contains the text of a group of selected declarations as examples for other industries.

Handbook for China, by Carl Crow. Dodd, Mead and Company, New York, \$4.

Convenient and compact information for the traveler in China, whether on business or pleasure. Half the book is given over to general information and half to specific trips.

The Federal Intermediate Credit System, by Claude L. Benner. The Macmillan Company, New York, 1926. \$2.50.

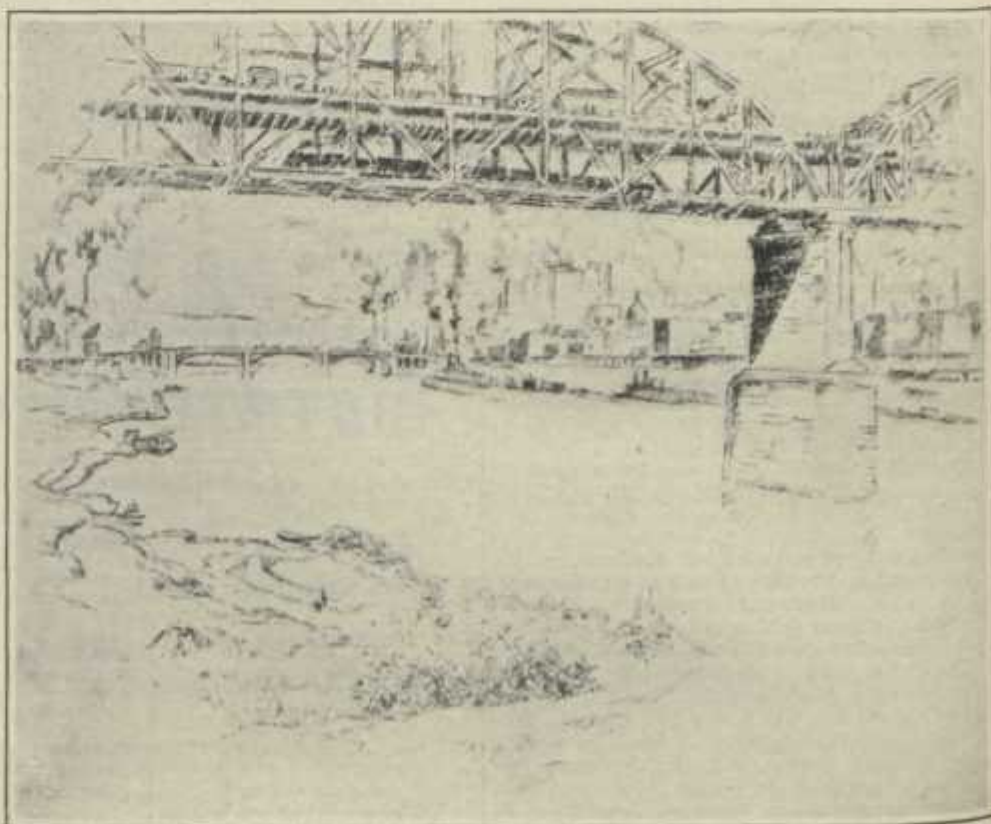
For a dozen years the question of agricultural credit has been constantly before the financial and political public of the United States, until now Mr. Benner says: "No other single industry in the country has so many types of credit institutions to serve it."

Forecasting, Planning and Budgeting in Business Management, by Percival White. McGraw-Hill Book Company, Inc., New York, 1926. \$2.50.

A simply told and understandable account of the methods now in use to make business less a "rule-of-thumb" process and more scientific.

Mainsprings of Men, by Whiting Williams. Charles Scribner's Sons. New York, Chicago, Boston, Atlanta, San Francisco, 1925. \$1.50.

A vital, graphic picture of what moves the working man in his attitude towards the employer. Mr. Williams, having put on overalls here and abroad and written largely of the worker's state of mind, has undertaken in this volume to sum up for the employer what labor thinks. A helpful, and more than that, a readable book on industrial relations.



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FROM AN ETCHING BY THE LATE JOSEPH PERRELL

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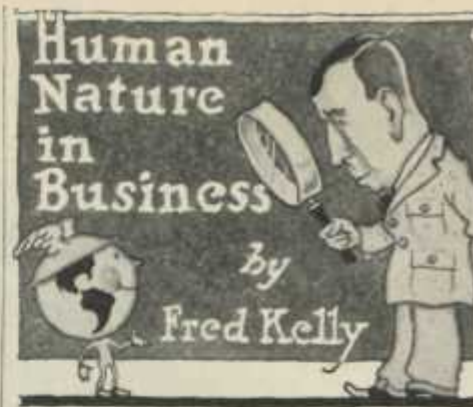


Associated Gas and Electric Securities Company

Incorporated

61 Broadway

New York



SOME years ago a young man went to work for a bank in a middle western city and in due course became a teller in one of the bank's branches in a section of the city where many of the customers were Chinese.

This teller did not much fancy having to bother with so many Chinamen. They weren't familiar with American banking methods, and even the minutest transaction required much explanation. Somehow he didn't like them anyhow. Their oriental mannerisms seemed to him affectations.

He asked to be transferred to a window in another bank. This was done, and I think he has been there ever since.

But the man who took his place at the window where the Chinese went—he was somebody else again. The Chinese interested him. He became fascinated with studying the characteristics and viewpoints of men whose background was entirely different from our own. He knew that they pull a wheelbarrow instead of pushing it and he wondered what else they did seemingly backward.

At every opportunity he tried to be of service to them, and gradually he built up an amazing good will, not only for the bank but for himself. They came to him after hours with all sorts of business problems. At first only unimportant Chinese sought his services, but his name was passed about and after a time wealthy Chinese merchants came to him. A few even came from other cities. Gradually he picked up a fair working knowledge of the Chinese language.

One day a committee of influential Chinese asked him to undertake an important mission for them in China. He resigned his job in the bank, made a trip to China, later on made annual trips there for his clients, and opened an office to devote his entire time to Chinese affairs. Today he is an authority on business affairs in which Chinese might be interested and his work has made him wealthy.

His predecessor, I imagine, believes that he hasn't advanced because he never had an opportunity!

A BIG bank has a carefully prepared chart showing the exact profit or loss on each checking account, according to the average monthly balance, and also the average number of checks written. The general overhead cost of running the bank, they figure, is about \$14 for each \$1,000 of deposits and it costs 6 cents to handle each check. This isn't counting interest paid to a depositor. If you keep an average of \$100 in the bank and write four checks a month, they make about 2 cents profit each month. But if you write five checks they lose about a nickel a month on your business. On a monthly balance of \$1,000, forty checks give

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Finance and Industry

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on
Connecticut Avenue
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the bank a small profit, but fifty checks throw them back for a loss of about half a dollar. Personally I was astonished at all this. For years I have been deploring the amount of money my banker has been making off my modest account. Now I find that he has been losing money on me regularly.

IT HAS taken me many years to learn that many big hotels have a supply of night-wear to lend to guests. The hotel cannot well lend a toothbrush, inasmuch as community toothbrushes have never reached any widespread popularity, but some will sell a guest a toothbrush and a moderately priced comb. Others lend a neatly wrapped, sterilized comb and hair brush without charge.

Many hotels also make a gratuitous offering of a small cup of coffee the moment one sits down to breakfast. However, this isn't prompted by a spirit of generosity but by the fact that a swallow of strong coffee often stimulates the appetite.

THE GENERAL manager of a big department store wished to hire an important employee from a rival store. He was advised that this would be impossible, as the man had been there for years, had been well treated and would not care to make a change.

Yet the general manager did succeed in luring him away. Everybody wondered how he did it.

"I couldn't have got him," he reports, "if it hadn't been that we both had the same affliction. When I went to see him, he said something about not feeling quite fit, and this led to an exchange of symptoms. We soon grew so enthusiastic in our conversation and, consequently, so friendly, that he said: 'Yes, I'll be glad to work for you.'"

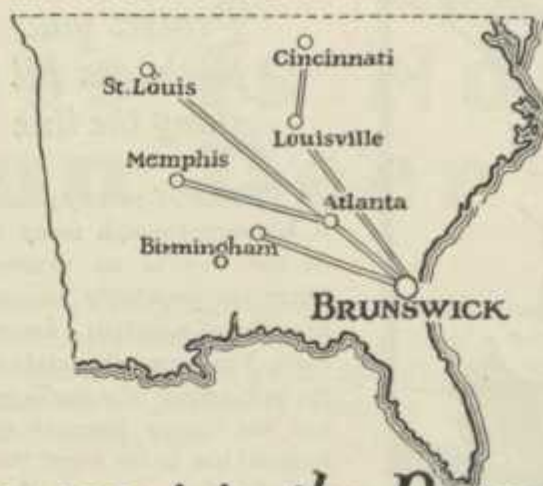
A YOUNG salesman sent in his card to a possible customer and through the half-open door saw the man toss the card into the waste basket. An office boy brought back word that the big boss was too busy to see anybody.

"All right," said the salesman, inwardly indignant, "but before I go I wish you would step in there and recover my card from the waste-basket. It cost my firm two cents and I might as well have it back."

This attempt to retrieve the little engraved card so aroused the interest of the crusty man that he saw the caller after all.

ONE OF our salesmen belonged to a club or two, and his acquaintances picked up through those connections were valuable. "But the head of an insurance agency. 'But he joined two or three more clubs, and then his business, instead of increasing, began to fall off. For a time I was puzzled about this. But a little quiet investigation gave me the answer. He was becoming less a salesman all the while and more of a club-man.'"

A MAN I know is a stockholder in a manufacturing concern that is controlled mostly by members of one family. The stock has never been listed on any stock exchange, and hence it was difficult for this man to obtain quick information as to its market value. Recently he decided to sell out and invest his money elsewhere. The best bid he received was about \$100 a share. That seemed so low that he said to himself: "If it's that cheap, I'll not sell but buy more." Then he encountered a surprising



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North, South and West from Brunswick's economy harbor, the astounding development of the Southeast United States unfolds twenty million prosperous consumers.

In 77 of 133 cities, in Brunswick's trade area, the 1924 building record of \$230,000,000 rose to \$459,000,000 in 1925. Population grew faster.

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Forty miles of deep water front for docks. Over 21 square miles of harbor space. Two and two-thirds square miles are over 30 feet. The channel is over 500 feet wide. These facts reduce shipping costs.

Three trunk-line railway systems—Southern, Atlanta, Birm.

ingham & Atlantic, Atlantic Coast Line—radiate out through the vigorous Southeast. Florida is nearby. Georgia, Alabama, Tennessee, the Carolinas, Mississippi are rich in natural resources and markets, within a day of Brunswick. St. Louis, Louisville, Cincinnati, Chicago are closer than they are to the North Atlantic. South America, Southern Europe, the Near East and the Orient are nearer to Brunswick.

Iron and coal from Birmingham, phosphates from Florida, minerals and clays from nearby Georgia points reach Brunswick at low cost. Coastwise shipping offers inexpensive fuel oil. Rosin and turpentine are produced in vast quantities. Pure water gushes from artesian wells.

Production hums the year 'round. Brunswick's climate assures this. Warmed by the Gulf Stream, winter temperatures average 59; summer 76, cooled by ocean breezes. Cold never pushes costs up, never interferes with outdoor work. The climate cuts investment in buildings, often in equipment.

Alert native labor is plentiful. Living is inexpensive. Disturbing elements are lacking.

New industry is exempt from local taxes for five years. State levies are low. Georgia has no income nor inheritance tax. Sites with both trackage and frontage on the Atlantic's finest land-locked harbor will be provided suitable industries.

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NATION'S BUSINESS

Washington, D. C.

situation. He couldn't buy a share of the stock for less than \$325. The explanation was that the only ones who would care to buy his stock were those who already controlled the business. They had all the stock they cared for and would not buy more except at a big bargain.

MOVING picture men tell me that in many sections a program of about one-half pictures and the other half vaudeville acts is more successful than either pictures or vaudeville alone. The explanation is simple enough. Thousands of persons who can't tolerate a whole evening of pictures or vaudeville find pleasure in a smaller dose of each. Now I'm wondering if many a store dealing in just one line might not do better if the proprietor devoted half his space to something else.

Statement of Ownership

STATEMENT of the Ownership, Management, Circulation, etc., required by the Act of Congress of August 24, 1912, of *Nation's Business*, published monthly at Washington, D. C., for April, 1926.

City of Washington, District of Columbia, ss. Before me a Notary Public, in and for the City and District aforesaid, personally appeared Merle Thorpe, who, having been duly sworn according to law, deposes and says that he is the Editor of the *Nation's Business*, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business manager are: Publisher, Chamber of Commerce of the United States, Washington, D. C.; Editor, Merle Thorpe, Washington, D. C.; Managing Editor, J. W. Bishop, Washington, D. C.; Business Manager, J. B. Wyckoff, Washington, D. C.

2. That the owner is: Chamber of Commerce of the United States of America, said body being an incorporated organization under the laws of the District of Columbia, its activities being governed by a Board of Directors.

The officers and directors are as follows:
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3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the full and complete names of the owners, stockholders, and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

MERLE THORPE, Editor and Publisher.

Sworn to and subscribed before me this 20th day of March, 1926.

(Seal)
Form 3326—Ed. 1924

LACEY C. ZAPP,
Notary Public,
District of Columbia.

(My commission expires September 20, 1927.)

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Business is complex. The man in business who wants to get ahead must know what is going on. Whether your business is big or little, far-flung or compact, you must know what other business men are thinking about, talking about, planning—and *why*.

Three thousand leaders, representing 750,000 American business men, met in Washington last month at the Fourteenth Annual Meeting of the United States Chamber of Commerce to plan a course of action for the coming year.

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HEALE THORPE, Editor

PUBLISHED MONTHLY AT WASHINGTON BY THE CHAMBER OF COMMERCE OF THE UNITED STATES

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1
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ELECTRIC COMPANY

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SUPPLY DEPT.
Western Electric

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shipped.

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Helping to move that motor, with 60,000 other electrical supplies, to a point where it can be put to work—is Graybar's job.

"Distribution," the text-books call it, but we look on it as a job of service to the man who says "I want it when I want it—and where I want it."

Wherever you are, there is a fully stocked Graybar warehouse near you, ready to take care of your electrical requirements. It is one of fifty-five warehouses in the nationwide Graybar Electric distributing system.

With "sequence calls"
one man landed

45 ORDERS

Long Distance Charges
only \$37.55



A MARYLAND match salesman took 45 orders—for 175 cases—in 1½ days! He filed with the local telephone company "sequence lists" of retail grocers, and as one call was finished another was ready for him. His 45 orders cost—salary for 1½ days and telephone charges of \$37.55. To have called on the same grocers in person would have cost his salary and traveling expenses for three weeks. This match

company now has ten men who concentrate on selling by telephone.

A LARGE wholesale house made a similar test and the average daily sales of its men who worked by Long Distance were two and a half times as large as of those who went in person. Scores of concerns are training certain of their salesmen to travel by telephone. Territories are worked more thoroughly. Contacts are made more frequently. Customers are given quicker and better service. Business is increased and selling expense is decreased!

At any hour of the day 70,000 towns and cities are within the sound of your voice. Without leaving your office or spending a single night on the sleeper you can call on customers in any state in the Union. Sequence calls are used daily by hundreds

of busy men to carry on long distance conversations with various parts of the country. By this means, calls are set up one after another, thus enabling many calls to be completed within a short time.

Our local Commercial Department is at your service to explain the many economies of long distance use, and to look for possible long distance telephone opportunities in your business. Call this department and ask a representative to come and see you. In the meanwhile, the instrument on your desk is waiting to connect you, at any time, with any one of 17,000,000 telephones. Is there a distant executive or office that it would be to your advantage to talk with, now? Number, please?

BELL LONG DISTANCE SERVICE





The Pullman Company purchased this 4-cylinder Autocar truck for their laundry department at Tampa, Florida, because it met the following requirements: short wheelbase handiness; even distribution of payload; maximum length body with minimum length chassis; modern design in mechanical construction; ability to carry maximum loads and keep within State laws.

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Affiliated
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*Allentown
*Altoona
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*Atlantic City
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*Charlotte
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*Jacksonville
*Jersey City
*Lawrence
*Los Angeles
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*Norfolk
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*Schenectady
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*Tampa
*Trenton
*Washington
*West Palm Beach
*Wheeling
*Wilkes-Barre
*Williamsport
*Wilmington
*Worcester
*York

* Indicates Direct Factory Branch

Watch your hauling costs per truck hour

REMEMBER this — whether your trucks are delivering two tons a day or twenty tons, such cost items as wages, interest and insurance are constant.

By making every 'truck hour' more productive because of short wheelbase handiness each of the thousands of Autocars you see on the streets is cutting the cost of hauling per 'truck hour'.

Watch how quickly the shorter Autocar works its way through crowded traffic. Notice how easily it gets into small, congested places, delivers its load and is off again.

In buying motor trucks it will certainly pay you to check up on this distinctive Autocar advantage by talking to any Autocar owner.

The Autocar Company

ESTABLISHED 1897

Ardmore, Pa.

Autocar

GAS and ELECTRIC TRUCKS
either or both - as your work requires